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# SALE OF GRAIN STORAGE FACILITIES

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## HEARING

BEFORE THE

### SUBCOMMITTEE ON DOMESTIC MARKETING AND CONSUMER RELATIONS

OF THE

### COMMITTEE ON AGRICULTURE HOUSE OF REPRESENTATIVES

EIGHTY-NINTH CONGRESS

SECOND SESSION

ON

## H.R. 12360

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JULY 18, 1966

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Serial QQ

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# SALE OF GRAIN STORAGE FACILITIES

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MONDAY, JULY 18, 1966

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON DOMESTIC MARKETING  
AND CONSUMER RELATIONS OF THE  
COMMITTEE ON AGRICULTURE,  
Washington, D.C.

The subcommittee met, pursuant to notice, at 10 a.m., in room 1301, Longworth House Office Building, Hon. Spark M. Matsunaga (chairman of the subcommittee) presiding.

Present: Representatives Matsunaga, Hagen of California, Purcell, Redlin, Greigg, Callan, Teague of California, and May.

Also present: Representative John Hansen.

Mr. MATSUNAGA. The Subcommittee on Domestic Marketing and Consumer Relations will please come to order.

The bill which is the subject of hearings before this subcommittee is H.R. 12360, which will amend the Agricultural Act of 1949 to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations. The proposal has aroused interest among members of our farming community as well as those within Government circles.

Without objection, H.R. 12360 is made a part of the record at this time.

We do have a report from the Department of Agriculture concerning this bill, a report which was requested of the Department by Chairman Cooley of the full committee.

Without objection, that report is made a part of the record at this time.

(H.R. 12360 introduced by Mr. Greigg and the departmental report follow:)

[H.R. 12360, 89th Cong., 2d sess.]

A BILL To amend the Agricultural Act of 1949 to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 404 of the Agricultural Act of 1949, as amended, is amended by inserting before the period at the end thereof the following: “: *Provided*, That, notwithstanding any other provision of law, where a grain storage facility is not needed by the Secretary of Agriculture and, upon being offered for sale no person offers to pay the minimum price set by the Secretary for such facility for use in connection with storage or handling of agricultural commodities, then the Secretary may, without declaring such facility to be excess property, sell it to any public or private nonprofit agency or organization for use for the purposes of such agency or organization”.



DEPARTMENT OF AGRICULTURE,  
Washington, D.C., July 18, 1966.

HON. HAROLD D. COOLEY,  
*Chairman, Committee on Agriculture,  
House of Representatives, Washington. D.C.*

DEAR MR. CHAIRMAN: This is in reply to your request of February 3, 1966, for a report on H.R. 12360, a bill "To amend the Agricultural Act of 1949 to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations."

The bill provides that where a grain storage facility is not needed by the Secretary and cannot be sold to any person at the minimum price set by the Secretary for use in storing or handling agricultural commodities, he may sell it to any public or private nonprofit agency or organization for its use.

Since January 1961, the Department has disposed of 256.7 million bushels of grain storage facilities owned by the Commodity Credit Corporation (CCC). This storage was no longer needed directly by the Corporation due to the effectiveness of the feed grain program in reducing grain surpluses. There was, however, a continuing private need for most of this storage capacity in programs of CCC. A total of 252.7 million bushels of the storage space was sold through public auctions and sealed bids to purchasers who certified that the bins would be used for the storage or handling of agricultural commodities. This represented the continuing need for use of these facilities by the respective purchasers in programs of CCC. It is estimated that at least 90 percent of these bins was purchased by farmers and the balance by warehousemen, cooperatives and others for grain storage. Approximately 4 million bushels which would not be sold at fair prices for the storage or handling of agricultural commodities were transferred either to other agencies within the Department for use in connection with their programs, or were transferred to the General Services Administration (GSA) for disposition.

Property which is "excess" to the needs of the Federal agency which has control of the property or "surplus" to the needs of any Federal agency, must be transferred or disposed of in accordance with provisions of the Federal Property and Administrative Services Act, 40 U.S.C. 471 et seq.

Commodity Credit Corporation has no authority to dispose of its storage facilities which have been acquired for the storage of its own grain except pursuant to other programs of the Corporation.

In actual practice ASC State and county committees determine the bins which are no longer needed by CCC directly for its storage needs. Upon approval by the Department in Washington, these bins are offered for sale to be used in programs of the Corporation, such as for storage under price support programs, resale programs, and commercial warehouse storage under the Uniform Grain Storage Agreement. To insure that bins are eligible for sale for program uses, rather than for other uses which could only be authorized under regulations of GSA, each purchaser of a bin which is to be sold for CCC program uses is required to certify that the structure purchased from CCC will be used in connection with the storage or handling of agricultural commodities.

Bins which are not needed for these purposes are then declared "excess" property and are offered to other agencies within the Department of Agriculture for use in connection with their programs. If not needed by other departmental agencies, the bins are reported to the GSA for transfer to other Government agencies or other disposal.

Approximately 80 percent of the total storage capacity still owned by CCC is made up of the standard round 3250 bushel steel and aluminum bins which have no practical use other than for grain storage. The balance of the storage capacity consists mostly of large flat buildings and miscellaneous types of storage which have other uses besides grain storage.

We have no objection to the procedures under existing legislation. If, however, in the judgment of the Congress further consideration is to be given to enactment of legislation embodying the objectives of H.R. 12360, a revision of the bill is recommended for the technical reason discussed below.

It is the view of this Department that amendment of Section 404 of the Agricultural Act of 1949 to meet the objectives of H.R. 12360 is not appropriate. That section deals with Section 32 of Public Law 320, 74th Congress, as amended, 7 U.S.C. 613c, and Section 6 of the National School Lunch Act. The word "facilities" used in Section 404 has no bearing or connection with grain storage facilities. We believe that it would be more logical to amend the Commodity Credit Corporation Charter Act. Accordingly, we suggest that if the legislation



is enacted, the words in the bill "section 4(h) of the Commodity Credit Corporation Charter Act, as amended," be substituted for "section 404 of the Agricultural Act of 1949, as amended;" that the words "owned by the Corporation" be inserted after words "grain storage facility;" and that the word "Corporation" be substituted for "Secretary of Agriculture" and "Secretary".

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

ORVILLE L. FREEMAN.

Mr. MATSUNAGA. We have as our first witness this morning from the Department of Agriculture Mr. Ray Fitzgerald, Deputy Administrator of State and County Operations, ASCS.

Mr. Fitzgerald, we are pleased to have you with us. We shall be pleased to hear from you.

**STATEMENT OF RAY FITZGERALD, DEPUTY ADMINISTRATOR, STATE AND COUNTY OPERATIONS, ASCS, USDA, ACCOMPANIED BY T. SCOTT MOWRY, DIRECTOR, BIN STORAGE DIVISION, ASCS, USDA, AND JOHN H. SHOUSE, OFFICE OF GENERAL COUNSEL, USDA**

Mr. FITZGERALD. Thank you, Mr. Chairman. I have with me Mr. T. S. Mowry, Director of the Bin Storage Division of ASCS and Mr. John Shouse, Office of the General Counsel.

My name is Ray Fitzgerald. I am Deputy Administrator of State and County Operations, ASCS.

I welcome the opportunity to appear before this committee to present our views on H.R. 12360.

Successes of the feed grain programs beginning in 1961 have greatly reduced grain surpluses and storage requirements. On January 1, 1961, CCC-owned storage was filled to 84.5 percent of capacity as compared to 33.5 percent today.

Due to the substantial reduction in grain stocks, the Department began in 1961 to dispose of bins that no longer were needed for grain storage directly by the Corporation. There was, however, a continuing private need for most of this storage capacity in programs of CCC.

Bins which have been acquired by CCC for the storage of CCC-owned grain and for which the Corporation no longer has a need are offered for sale to be used in programs of the Corporation such as the price-support programs, resale programs, and commercial warehouse storage under the uniform grain storage agreement. Such disposals are made under the general authority of section 4(m) of the Commodity Credit Corporation Charter Act, 15 U.S.C., 714b(m), which provides that the Corporation "shall have such powers as may be necessary or appropriate for exercise of the powers specifically vested in the Corporation," and section 5(b) of the act which provides that "in the fulfillment of its purposes and in carrying out its annual budget programs submitted to and approved by the Congress \* \* \* the Corporation is authorized to—

\* \* \* \* \*

"(b) make available materials and facilities required in connection with the production and marketing of agricultural commodities."

The budget estimates for the U.S. Department of Agriculture for the fiscal year ending June 30, 1966, as submitted to the Congress, described the storage facilities program of the Corporation as follows:

The Corporation conducts a program to provide storage adequate to fulfill its program needs. This program is conducted pursuant to sections 4(h) and 4(m), and 5 (a) and (b).

The Corporation buys and maintains (in storage-short areas) bins and equipment for care and storage of grain owned by Commodity Credit Corporation or under its control. It makes loans for the purchase, building, or expanding of storage facilities on the farm and sells to producers and others bins needed for the storage of grain. Bins sold by the Corporation may be those acquired for resale for this purpose or those which are no longer required by the Corporation for the storage of its own grain. The Corporation may also provide storage use guarantees, to encourage building of commercial storage and undertake other operations necessary to provide storage adequate to carry out the Corporation's programs.

A total of 253 million bushels of bin storage space has been sold mostly through public auctions and sealed bids to farmers, warehousemen, cooperatives, and others for use in the storage or handling of agricultural commodities. To insure that structures sold by the Corporation will be used for program purposes, each purchaser is required to certify that the facilities purchased from CCC will be used in connection with the storage or handling of agricultural commodities.

Pursuant to the Federal Property and Administrative Services Act of 1949, bins which cannot be sold under the required certification are offered to other agencies within the Department of Agriculture for use in connection with their programs. If not needed by these agencies, the bins are declared to General Services Administration (GSA) for transfer to other Government agencies or outright sale for any use. Some 4 million bushels has been transferred either to other agencies within the Department or to GSA for disposition.

When property of the Corporation cannot be disposed of for programs of the Corporation as previously mentioned, such property is then "excess." Property which is "excess" to the needs of the Federal agency which has control of it, or which is "surplus" to the needs of any Federal agency, must be transferred or disposed of in accordance with the provisions of the Federal Property and Administrative Services Act (40 U.S.C. 471 et seq.).

We feel that the bin sales program has been very successful. It is estimated that at least 90 percent of the bins sold are purchased by farmers and moved to farms. A small percent is purchased by warehousemen to increase their grain storage capacities. This type of storage is needed on farms in the States where bins are surplus to the requirements of the Commodity Credit Corporation. Farmers who buy this storage are able to participate to a greater extent in the price-support, loan resale, and storage programs of the Department.

We have no objections to the procedures under existing legislation. If, however, the Congress in its good judgment feels consideration should be given to enactment of legislation embodying the objectives of H.R. 12360, we recommend revision of the bill for a technical reason.

It is the view of this Department that amendment of section 404 of the Agricultural Act of 1949 to meet the objectives of H.R. 12360 is not appropriate. That section deals with section 32 of Public Law 320, 74th Congress, as amended, 7 U.S.C. 613c, and section 6 of the National School Lunch Act. The word "facilities" used in section 404 has no bearing or connection with grain storage facilities. We be-

lieve that it would be more logical to amend the Commodity Credit Corporation Charter Act. Accordingly, we suggest that if the legislation is enacted, the words in the bill "section 4(h) of the Commodity Credit Corporation Charter Act, as amended," be substituted for "section 404 of the Agricultural Act of 1949, as amended;" that the words "owned by the Corporation" be inserted after words "grain storage facility;" and that the word "Corporation" be substituted for "Secretary of Agriculture" and "Secretary".

Thank you.

Mr. MATSUNAGA. Thank you very much, Mr. Fitzgerald.

You are then suggesting an amendment of an altogether different section from that proposed in H.R. 12360?

Mr. FITZGERALD. Yes, sir.

Mr. GREIGG. Mr. Chairman, I have no objection to that technical change.

Mr. MATSUNAGA. You have no objection?

Mr. GREIGG. No.

Mr. MATSUNAGA. One thing that puzzles me is if the language is left as is, that is the other sections of the bill, at what price would you be selling these so-called excess facilities?

Mr. FITZGERALD. In either case, Mr. Chairman, they would be sold presumably at the fair market price.

Mr. MATSUNAGA. Is the language clear enough to insure this?

Mr. FITZGERALD. That is what we have been doing with them thus far, Mr. Chairman, selling them to farmers and others for storage of agricultural commodities at the fair market price and presumably we would make them available to other agencies and nonprofit organizations at a fair market price.

Mr. MATSUNAGA. As I understand it, right now under the present setup, when you sell to a Government agency requiring the use of your excess facilities, frequently these facilities are transported to other areas at a cost to the Government.

Mr. FITZGERALD. Mr. Chairman, we do not sell to other Federal agencies.

Mr. MATSUNAGA. I mean transferred.

Mr. FITZGERALD. We do transfer; yes, sir. And they are transported oftentimes to other parts of the country; yes, sir, at Federal expense.

Mr. MATSUNAGA. At rather excessive costs, I am told?

Mr. FITZGERALD. The recipient agency would have to judge whether the cost is excessive or not.

Mr. MATSUNAGA. It has been suggested that the price to these nonprofit institutions be the fair market value of the property less what it would cost to transport the facilities to the agency which would have wanted the use of the excess facilities.

Mr. FITZGERALD. I do not believe we would have any objection to that, Mr. Chairman.

Mr. MATSUNAGA. You have no objection to that?

Mr. FITZGERALD. No.

Mr. MATSUNAGA. Are there any questions?

Mr. TEAGUE. Yes, Mr. Chairman.

It seems to me, Mr. Fitzgerald, you are saying that you have no objection to this bill if it were amended as you suggested, but that really you see no real need for it; is that correct?



Mr. FITZGERALD. I think we are saying, yes, sir, that we are not asking for the additional responsibility but we would not object to administering it if we had to.

Mr. TEAGUE. Is it your view that this would save the Government money or would it cost the Government money?

Mr. FITZGERALD. I suppose, in that it might shortcut the present procedure, it might conceivably save some money. But I think it would be somewhat minor.

Mr. TEAGUE. I have not discussed this with Mr. Griegg or anyone else and I am entirely openminded on it. This would give, would it not, the Secretary of Agriculture some additional discretion or authority and at the same time remove from the discretion and the authority that the Administrator of GSA now has for disposing of surplus property; is that correct?

Mr. FITZGERALD. Yes, sir; I think that is about it.

Mr. TEAGUE. That is all.

Mr. MATSUNAGA. Mr. Greigg?

Mr. GREIGG. Mr. Fitzgerald, just a couple of questions before I have my own statement in relation to the measure.

Can you give me some indication at the present time as to what the Commodity Credit Corporation has realized in profits in terms of money as a result of the sale of these facilities?

Mr. FITZGERALD. I guess I can say it this way, Mr. Greigg: that our experience thus far is to the effect that we sell the standard 3,250-bushel round bins, steel or aluminum bins, for about the range of 8 to 10 cents a bushel. This is \$260 to \$325 a bin. And these bins cost originally from \$500 to \$600 f.o.b. unerected.

Mr. GREIGG. I want to draw a distinction between the circular type bin and the quonset type bin. The primary purpose of this legislation, of course, is to make the quonset type facility available.

Do you have any comment in relation to the sale of the quonset?

Mr. FITZGERALD. We get about \$1,000 or \$2,000 for what you call the quonset type building.

Mr. GREIGG. What was the original cost of the quonset facility?

Mr. FITZGERALD. \$4,500 to \$6,000 unerected.

Mr. GREIGG. Does this include the concrete slab that is required in order to mount these facilities?

Mr. FITZGERALD. No; we consider this as part of the erection cost.

Mr. GREIGG. From previous history of the sale of these quonset type facilities, what has happened to the concrete slab once the quonset has been dismantled and moved to another Federal agency somewhere else throughout the industry?

Mr. FITZGERALD. Congressman, our expense is somewhat limited, but usually we do not have to stand the expense of restoration, that is tearing up the slab and restoring the site for the reason that usually the landowner, in consideration of our leaving the fencing, the electricity, the slab itself, will let us off without any cost of restoring.

Mr. GREIGG. What happens, Mr. Fitzgerald, when you move it to a new location? Who stands the cost of laying the new concrete slab for construction?

Mr. FITZGERALD. The purchaser.

Mr. GREIGG. What if it is another Federal agency? Would this not be an additional cost to the taxpayer?

Mr. FITZGERALD. They would stand the cost; yes, sir.

Mr. GREIGG. Are we talking about roughly \$500?

Mr. FITZGERALD. Yes, about that.

Congressman, let me correct that. It is about \$2,500 to lay a slab and costs about \$500 to tear one up.

Mr. GREIGG. You indicated that a number of farmers are interested in acquiring these facilities, and it is very true. Are they in a position to receive any FHA assistance in the purchase of these storage facilities?

Mr. MOWRY. We have a farm facility loan program that we will loan money on these buildings purchased from CCC. I believe it is a 4-year loan with a total of 5 years to repay, at 4 percent interest.

Mr. GREIGG. They can actually use this money in the purchase of these units that are surplus?

Mr. MOWRY. Yes.

Mr. GREIGG. We are fortunate, I believe, in seeing the reduction of surpluses at the present time. These facilities were used in the storage of these commodities. These quonsets and other facilities are located in what I would consider to be some rather strategic areas in the countryside. I know in my district in northwest Iowa they dot the entire 18-county countryside.

Should a quonset facility be moved from one of my counties in northwest Iowa to another county in an adjoining State or somewhere else, to be used by another Federal agency; is there not some merit in keeping these facilities where they presently are in that the time could conceivably come when the need would also be great in that immediate area for the same purpose for which they were originally constructed?

Mr. MOWRY. Yes, sir.

Mr. GREIGG. Are most of the leases for the quonset type facility lease arrangements that run about a cost of \$50 a year for the quonset type?

Mr. MOWRY. For buildings?

Mr. GREIGG. Right.

Mr. MOWRY. Those leases are at wide variance. Most of them we entered into in 1949 when land was much cheaper than it is today and we have not increased them very much. They have been increased very little. So I would suppose in Iowa—and this would be just a good guess—it probably would run \$150 to \$200 an acre, something like that. It may be higher. And in some areas like Ohio industrial centers, it was higher than that. When you get into the Northwest in a State like Montana where the land was cheaper at that time, we have leases for 4 or 5 acres for as little as \$50 to \$75 a year.

Mr. GREIGG. Is any of that Government-owned property or is it by and large leased property?

Mr. MOWRY. Out of some 3,300 bin sites that the CCC leases, the Corporation owns 33 outright.

Mr. GREIGG. I have, Mr. Chairman, some very specific statements I would like to make a little later on this morning in relation to the measure.

I would point out that it seems to me that it is going to be extremely difficult to convince a farmer or someone who needs one of these facilities for something other than the storage of grain to sign an agreement that states—

This is to certify that the structures or equipment identified above, purchased by the undersigned from the Commodity Credit Corporation of the United States

Department of Agriculture, will be used in connection with the storage and handling of agricultural commodities.

The very reason that these facilities are now vacant comes because there is no longer the agricultural commodities to store in them.

My concern and the reason I introduced the legislation resulted from a great local need ranging from school boards to fair boards, to industrial development corporations, county and State offices for storage purposes. But I will point this all out to show the members of the subcommittee in a short period of time why the introduction of the bill and the need for the facilities. Thank you very much.

Mr. MATSUNAGA. Mr. Callan.

Mr. CALLAN. What are the terms of the lease of the Commodity Credit Corporation?

Mr. MOWRY. The terms of the lease vary. Generally at the beginning we tried to get anywhere from 5 to 10 years with 5- to 10-year option on renewal, and wherever we had the large flat permanent-type storage we always tried to get an option to purchase the land.

Mr. CALLAN. Do you have options to purchase?

Mr. MOWRY. We do not have them on every place we have bin sites, but mostly where we have the large permanent-type buildings we do have an option to purchase.

Mr. CALLAN. Do I understand you received about \$1,000 for the steel in 55,000 bushel bins?

Mr. MOWRY. There are two sizes of quonsets, 25,000 bushels and 40,000 bushels.

Mr. CALLAN. You get about \$1,000 for them?

Mr. MOWRY. A thousand or 2,000, in that range.

Mr. CALLAN. From 1,000 to 2,000?

Mr. MOWRY. That is right.

I believe in Nebraska that earlier last year they sold a few for \$3,000 or \$4,000.

Mr. CALLAN. If you built them new today in a rural area it would probably cost at least \$12,000 to \$15,000 by the time you put the slab down and erect the steel; is that right?

Mr. MOWRY. We checked with a reliable company and asked them what it would cost to erect a 40 by 100 large quonset-type building in central Iowa, and they said today it would cost around \$13,000, turn key job.

Mr. CALLAN. What this would mean then, you could probably realize at least twice what you are getting out of them right now if you left them on the site; is that right?

Mr. MOWRY. Right now some of these buildings are left on sites when we sell them because the buyer, the warehouseman, for example, will go to the owner of the land and make arrangements to lease the land and in some cases buy it and leave the buildings there. So they are not all moved when we sell them.

Mr. CALLAN. Do you get more money out of those buildings then?

Mr. MOWRY. No, I would not say we did.

Mr. CALLAN. Do you not think they are worth more than \$1,000?

Mr. MOWRY. They are good buildings in most cases.

Mr. CALLAN. It would seem to me if you let it go to an agency or school district or small industrial development corporation they would be real pleased to give something like \$2,000, \$3,000, or \$4,000. Would you agree to that?



Mr. FITZGERALD. Yes, sir.

Mr. GREIGG. Mr. Fitzgerald, do you have any instances you know of throughout the country at the present time where the purchasers have signed this statement indicating that they will be used for the storage of agricultural commodities and yet they are being used for other purposes?

Mr. FITZGERALD. We have one that I am familiar with at the present time in a Midwest State where we believe the purchaser didn't carry out the intent of the certification after he purchased the building.

Mr. GREIGG. Does the Department follow through to make sure that once these are sold they are used for strictly agricultural storage?

Mr. FITZGERALD. No, we do not have any system of checking, formal system of checking, usually relying upon local information or complaints that are registered with us.

Mr. GREIGG. That is all.

Mr. MATSUNAGA. Mr. Teague?

Mr. TEAGUE. This impresses me as legislation which is probably meritorious but I suggest we would be asking for trouble if we take it to the floor without a report from the GSA, since we are taking some authority and jurisdiction away from them and bestowing it upon someone else. That is just a suggestion.

Mr. MATSUNAGA. We will seek a report then from the General Services Administration as to what its position is on the matter, if there is no objection.

Mr. GREIGG. I would like to discuss that based on the attitude in correspondence I have had with GSA. And here again I think we must be frank. GSA, like all agencies and departments of Government, have certain jurisdictional areas. I am talking about a piece of legislation that would make it possible for the sale of these facilities before that step is taken before given to GSA.

Mr. Teague, I appreciate your suggestion, but I think that this step comes prior to what would normally be the jurisdiction of the GSA. I do not see a report is necessary from that administration.

Mr. TEAGUE. I am not requesting it, I am suggesting it is something that ought to be considered.

Mr. MATSUNAGA. Any further comment, Mr. Greigg?

Mr. GREIGG. No.

Mr. MATSUNAGA. Mr. Hagen?

Mr. HAGEN. I am at a little bit of loss to understand what you contemplate. Do you contemplate sale for market value to public or private nonprofit agencies?

Mr. GREIGG. These would be put on a bidding process as has been the case in all previous sales. In my testimony this morning, Mr. Hagen, I will outline what the past procedure has been and what my bill would do in terms of making an adjustment and possibly at that time additional questions could be raised as to your point.

Mr. MATSUNAGA. We raised the question earlier of Mr. Fitzgerald as to what the price would be if the sale as provided in the bill were allowed, and he indicated that we do have other provisions in the existing law which would provide for that.

Mr. HAGEN. I might ask Mr. Fitzgerald a question.

As I understand it, most of the storage is somewhat of a temporary nature; is that correct?



Mr. FITZGERALD. They have been temporary for 20 years or more.

Mr. HAGEN. I mean they are not a big fixed cement warehouse or anything like that?

Mr. FITZGERALD. No, sir.

Mr. HAGEN. What do you call the metal bin? Is there a name for it?

Mr. FITZGERALD. Quonsets are the large ones; the others are standard round bins.

Mr. HAGEN. Your policy has been to offer them first to other Government agencies?

Mr. FITZGERALD. Farmers first of all.

Mr. HAGEN. You have authority to sell directly to farmers?

Mr. FITZGERALD. Restricted to making them available to storage of agricultural commodities.

Mr. HAGEN. Do you have a minimum price attached in each instance?

Mr. FITZGERALD. We do have. However, practically the State ASCA committees set what they consider to be a fair market value so we are not depressing the market or overloading the market.

Mr. HAGEN. So if you do not get takers from the farmers at those fair market value prices, you offer them to the other agencies of Government. Is that correct?

Mr. FITZGERALD. First of all, they would be declared excess to our needs, that is, Commodity Credit Corporation.

Mr. HAGEN. Right.

Mr. FITZGERALD. Then we send the paper to Kansas City to the MFO office. This office then has a committee which makes them available to other agencies in Agriculture. If these agencies then indicate no desire or need for them, they are made available to GSA who disposes of them to other Government agencies or by sale or donation or whatever.

Mr. HAGEN. At what point do the farmers come into the picture?

Mr. FITZGERALD. The farmers have the first opportunity.

Mr. HAGEN. They have the first opportunity?

Mr. FITZGERALD. Yes, sir.

Mr. HAGEN. Then you offer them to other Government agencies?

Mr. FITZGERALD. Yes, sir, in Agriculture, and then to GSA who offers them to all other Federal agencies.

Mr. HAGEN. Then if they get no takers they are offered for sale through the GSA?

Mr. FITZGERALD. They can be donated or sold, yes, sir.

Mr. GREIGG. Will the gentleman yield?

Mr. HAGEN. Yes.

Mr. GREIGG. I think we ought to draw a distinction between the type of facilities we are talking about.

Out in the rural areas we have two types, the circular type that I think is most appealing to the farmers, and the quonset type that not too many farmers are going to be bidding on because of the size and the cost involved. I think this distinction should be drawn.

I also want to go back to a point made a few minutes ago and possibly challenge the statement as to whether or not these facilities are temporary. These are not temporary facilities; these are permanent facilities, are they not, Mr. Fitzgerald?

Mr. FITZGERALD. They are not permanent in the sense I thought the Congressman was referring to, that is, concrete structures like a warehouse facility.

Mr. GREIGG. But from the standpoint of lease arrangement, Mr. Hagen, these are pretty permanent structures. We are not talking in terms of concrete.

Mr. HAGEN. They are metal type structures?

Mr. GREIGG. They are.

Mr. HAGEN. Right. Then GSA offers them for sale to any taker. Do they have a minimum price?

Mr. FITZGERALD. I really cannot say how they operate.

Mr. HAGEN. They establish a fair market value, do they not, and they sell them for that, I assume?

Mr. FITZGERALD. I could not answer your question intelligently. I do not know.

Mr. HAGEN. What percentage of your disposals have been made to farmers and what percentage through the GSA?

Mr. FITZGERALD. The bins as a whole, over 90 percent have been sold to farmers.

Mr. HAGEN. Over 90 percent?

Mr. FITZGERALD. Yes.

Mr. HAGEN. And the remaining 10 percent disposed of through GSA.

Mr. FITZGERALD. Some of them go to warehousemen for storage of agricultural commodities.

Mr. HAGEN. Through you?

Mr. FITZGERALD. And others are donated or given to other agricultural agencies in the Department of Agriculture or transferred to GSA, which may make them available to State agencies such as conservation commissions.

Mr. HAGEN. What percentage of them have been disposed of through GSA?

Mr. MOWRY. A total of 4 million bushels so far have been transferred either to other agencies in Agriculture in our own Department or have been given to GSA, and as I recall we have a breakdown in the numbers here if I can find it.

Mr. FITZGERALD. A total of 101 have been transferred. Of those, 61 have been transferred within the Department of Agriculture and 40 to GSA, in addition to which there are 44 now undergoing screening.

Mr. TEAGUE. Will the gentleman yield?

Mr. HAGEN. Yes.

Mr. TEAGUE. Is there anything in existing law which prohibits the GSA from selling these bins to schools or industrial concerns?

Mr. FITZGERALD. I really do not know, Congressman.

Mr. TEAGUE. I am trying to get at—maybe you will explain to us, Mr. Greigg, later what this will really accomplish that cannot be done under existing law.

Mr. HAGEN. What percentage of those sales you made will be continued to be used as grain storage and what percentage will disappear? I would assume this is one of Mr. Greigg's concerns, reduction in the amount of storage.

Mr. FITZGERALD. The great overwhelming majority of bins we have is what we call standard round bins, 3,250 bushels or less. These are not good for much of anything except storage of grain. Very limited

in use. The ones Mr. Greigg is concerned with I think is what we call the large flat storage structures, and specifically, the quonset type of buildings. These can be used for things other than the storage of agricultural commodities.

Mr. GREIGG. Will the gentleman yield?

Mr. HAGEN. Yes.

Mr. GREIGG. I would like to go back to Mr. Teague's question and point out to you that the problem that arises is that once the Agriculture Department turns over the jurisdiction to GSA, then the General Services Administration follows very methodical procedure of contacting the various Federal agencies to give them priority for these facilities. Conceivably we could get down possibly to the time when no Federal agency would want to consider the quonset and a school board or a fair board would have something to say, but it would be indeed remote because, as most of the agencies are anxious to acquire additional storage facilities, these Federal groups are anxious, and certainly do not pass up the chance. I know that the Forestry Division, for example, looks upon these facilities with real need.

I believe a good case in point would be in Minnesota, at Sandstone, Minn., a correctional institution. They have need for quonset type facilities. So by the time these Federal agencies say we need them, there would be little opportunity for someone on the local level to even be considered.

My attitude on this, Mr. Teague, is that on the local level where these facilities are presently located, need is great. Not only is the need great, but it seems economical to me that they remain in the locale where they have been constructed and thus saving the taxpayers dollars by not dismantling them and sending them somewhere else.

Mr. HAGEN. I am not trying to filibuster, but you contemplate—I cannot imagine a school, for example, in the grain storage business. You contemplate nongrain storage use of the facilities?

Mr. GREIGG. Mr. Hagen, that is the whole purpose of the legislation—to make these available to private and nonprofit agencies for use other than grain storage.

Mr. MATSUNAGA. Mr. Callan?

Mr. CALLAN. I want to make a couple of points here.

Number one is that round bins go out to farmers, and in the flat storage bins out there, the Government has \$12,000 or \$13,000 invested, and they get about \$1,000 out of the steel. This leaves all the concrete in place.

Mr. MATSUNAGA. May I suggest, Mr. Callan, if we have no questions of the witness here that we make our statements subsequently.

Mr. CALLAN. All right.

Mr. MATSUNAGA. Does anyone have a question of the witness?

Mr. REDLIN. I have one question.

I am aware of a situation in my district wherein a Job Corps which is supervised by the Forest Service acquired some quonset buildings and moved them from a point to the point of a former radar site. This would be an example of what you have turned over to GSA and they handled it.

Mr. FITZGERALD. That was handled within the Department of Agriculture. When your State committee decided that this bin could not be sold at a fair price to a farmer or warehouseman for storage of an agricultural commodity, the bin was declared excess to our ASCS



needs and transferred to a departmental committee. This committee then makes its bin available to all the agencies within the Department of Agriculture. In this case the Forest Service said "Yes, we have a need for this bin," therefore the Forest Service got the bin.

If, however, no agricultural agency had put a claim on this bin, it would have been transferred to GSA.

Mr. REDLIN. The point I believe I understand Mr. Greigg is seeking to make is that had there been a local organization, a school board or fair board in the town at the point where the quonset was standing on the cement slab ready to be used, they would not then under this procedure have had an opportunity to enter into the picture at all.

Mr. FITZGERALD. They have not had.

Mr. REDLIN. As I understand, Mr. Greigg, you are seeking to create this opportunity.

Mr. GREIGG. The opportunity only after the Department indicates that there is no area for the consumption or use of these facilities under their regulations, that point where they declare that none of their agencies can use them and thus turn them over to GSA. At that point is when I want them available to the local communities.

Mr. REDLIN. Then as I understand it, in this particular instance this would have been a departmental need within the Department of Agriculture and the local entity would not have entered into the picture even had this legislation been law?

Mr. FITZGERALD. Yes, sir.

Mr. HANSEN. I do not want to ask any questions, Mr. Chairman. I merely would appreciate very much to make a statement regarding the measure.

Mr. MATSUNAGA. We will call on you then after we excuse the witness if we have no further questions of the witness.

Thank you very much.

Are there any witnesses other than those listed who would like to testify in this matter?

Mr. HAGEN. I might ask one more question of Mr. Fitzgerald.

Do your procedures with these bins differ in any sense from disposal of other real estate or personal property by any other agency of Government? For example, the armed services. Are your procedures any different?

Mr. SHOUSE. In answer to your question, I would say that the Commodity Credit Corporation disposes of grain storage structures, as Mr. Fitzgerald outlined in his testimony, through the specific and general powers of the Commodity Credit Corporation as set forth in the Commodity Credit Corporation Charter Act and under the budget program of the Commodity Credit Corporation which have been submitted to and approved by the Congress.

Mr. HAGEN. Do your procedures differ, we will say, from the method the Navy might use to dispose of some similar building?

Mr. SHOUSE. So far as I know, the Navy would dispose of its surplus property under authority of the Federal Property and Administrative Services Act through the General Services Administration. I do not know of any special legislation applicable to that agency. I know Commodity Credit Corporation disposes of storage facilities under the powers of the Commodity Credit Corporation before they become excess or surplus and while we still have a program use for



them for Commodity Credit Corporation in the storage program of the Commodity Credit Corporation. If Commodity Credit Corporation has no program need, or if the structures cannot be disposed of for a program need, they are declared excess pursuant to the Federal Property and Administrative Services Act.

Mr. FITZGERALD. My impression is that we probably have more authority than most Government agencies in disposing of surplus properties and in this case making it available to farmers.

Mr. MATSUNAGA. Thank you very much.

We will now hear from Mr. Stauley Greigg, not as a member of the subcommittee but as a witness and author of the bill, Mr. Greigg.

**STATEMENT OF HON. STANLEY L. GREIGG, A REPRESENTATIVE  
IN CONGRESS FROM THE STATE OF IOWA**

Mr. GREIGG. Thank you very much, Mr. Chairman and members of the committee. I very much appreciate this opportunity to present my views on H.R. 12360.

This measure would make it possible to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations. A great number of these storage facilities have become available in the Midwest as a result of a substantial reduction in surpluses, which posed a severe problem in the late 1950's and early 1960's. H.R. 12360 would not alter the law which allows farmers to buy the units for farm use. It would only pertain to those Commodity Credit Corporation buildings which still remain available after farm producers have had every opportunity to purchase them. As a result, no present policy for use by the Agriculture Department or the entire structure of the farm producer would be affected. The point at which disposal would take place under H.R. 12360 is just prior to the jurisdictional declaration by the Secretary of Agriculture that "these units are excess to CCC needs." This determination, if made by the Secretary, automatically causes the units to come under General Services Administration jurisdiction and they then follow the regular disposal system set up under the Federal Property and Administrative Services Act.

A distinction can be made at the outset as to the type of building H.R. 12360 would as a practical matter make available to public and nonprofit private agencies. Generally there are two basic types: One the familiar single purpose circular metal building, and second was commonly known as the multipurpose quonset type.

In regard to the former, little real use can be foreseen except for grain storage. The latter is a very different matter, however. The multipurpose quonset type is generally 40 feet wide by 100 feet long. These buildings are generally in place on leased ground with substantial concrete foundations. They can be found in most areas throughout the Midwest and very specifically in my district in northwest Iowa.

More than 90 percent of these available facilities have been purchased by farm producers. Still the problem remains.

These remaining structures are greatly desired by local citizens for use in a variety of local public and quasi-public needs. One is on the property of a county fair board and can be an integral part of the fair facility. One is near the consolidated school that needs garage

space for their buses. One is adjacent to an industrial park complex in which there is substantial demand for storage facilities of this type.

These people cannot, under present law, bid for or purchase these structures even when they are normally placed upon their ground and surplus to any U.S. Department of Agriculture needs. Present law declares that a purchaser must sign the following statement, and that statement again is:

This is to certify that the structure or equipment identified above, purchased by the undersigned from the Commodity Credit Corporation, U.S. Department of Agriculture, will be used in connection with the storage or handling of agricultural commodities.

H.R. 12360 is short and to the point:

Where a grain storage facility is not needed by the Secretary of Agriculture and upon being offered for sale no person offers to pay the minimum price set by the Secretary for such facility for use in connection with storage or handling of agricultural commodities, then the Secretary may, without declaring such facility to be excess property, sell it to any public or private nonprofit agency or organization for use for the purposes of such agency or organization.

Many times I feel it is most important in my own mind to know what a certain bill will not do as well as what it will do. This bill will not affect anyone in the U.S. Department of Agriculture, it will not affect anyone in the entire range of farm productivity, but it will answer any definite need for a great number of farm communities.

The alternative is that these buildings will be diluted into the federal system. There will be no cost recovery, there will be additional expense to uproot the foundation as per Government lease requirement. But most important, you will have a fine group of public-spirited citizens who simply will not accept the logic of seeing these rural related buildings being carried away.

Mr. Chairman, I know that we have some additional Congressmen this morning who have some statements relating to this measure. Also I have a statement, as I indicated a little earlier, which will be a part of the record, from Senator McGovern, as he has experienced similar problems as they relate to consolidated school districts.

But I also have a gentleman who has come from my district of northwest Iowa who has, for many months now, been involved in this entire process of attempting to acquire one of these quonset buildings for the local fair board, adjacent to the grounds that the fair board has a lease on, on which some of these quonsets are actually constructed. So a little later this morning Mr. Helene can also be heard on this, as he has lived with this problem.

I will be more than pleased to answer any questions members may have.

Mr. MATSUNAGA. Any questions of Mr. Greigg?

Mr. TEAGUE. Just one, Mr. Greigg, and I do not wish to sound as though I am opposed to this bill, because I do not know that I am. It was mentioned a while ago that the Secretary of Agriculture, in one instance at least, transferred some of these bins to the Forest Service.

Mr. GREIGG. Yes.

Mr. TEAGUE. Within the Department?

Mr. GREIGG. Yes.

Mr. TEAGUE. Suppose the National Park Service in a comparable situation expressed desire to get the bins. Not being part of the

Agriculture Department, I assume they would be out of the picture under this bill.

Mr. GREIGG. Mr. Teague, I really feel as far as changing the law, this bill does not change the jurisdiction of the Agriculture Department or affect, as I pointed out, the farm productivity area, so to speak.

As was pointed out this morning, I think it was pretty clear that the Department has probably more authority in disposal than most agencies and departments of the Government. I do not want to enlarge that. I want to make these available to the local communities at that point where the Agriculture Department has exhausted all areas. I do not want to add to that list.

The group that you speak of would come in for consideration once the GSA would have jurisdiction allowing them to go to another Federal agency. But I would not want to increase the list at this point because I think that this was considered early when the Agriculture Department stated their initial needs.

Mr. TEAGUE. It is true though, is it not—it may be all right but I want to be sure it would be the situation—that if a local fair board and the National Park Service each expressed an interest in a particular quonset, under this legislation the Secretary of Agriculture would be required to sell it to the local fair board rather than the National Park Service?

Mr. GREIGG. No. It would be again on a bid basis on the local scene.

You raise the point as to making them available for the Park Service. Possibly they have some storage they could use these for also. I do not know.

Mr. TEAGUE. I cite that as an agency somewhat comparable to the Forest Service, just in a different department.

Mr. GREIGG. I think that a good case could be made for all Federal agencies outside of the jurisdiction of the Agriculture Department for the need of these facilities. I think this is probably a valid statement. The only thing, I do not want to increase the list. I want to stop at that point where the Agriculture Department decides that there is no need for them within their jurisdiction before they turn them over to the General Services Administration to go into the entire federal system. I am not questioning there could be the need in the Department for the same facility.

Mr. TEAGUE. I want to be sure about one thing which is not quite clear to me.

If we should pass this bill and the National Park Service expressed interest in a quonset—they might know about it even though it was not referred through the GSA—and a local fair board, let's say, wanted the same quonset for storing buses—certainly not connected with Agriculture—then would the Secretary be required to dispose of it to the local school board and leave the Forest Service out?

Mr. GREIGG. Yes, that is true under the bill.

Mr. TEAGUE. I am not saying that is wrong, but I want to understand it.

Mr. GREIGG. This is a true statement, as it would be with any other Federal agency outside the Agriculture Department.

Mr. MATSUNAGA. Mr. Hagen?

Mr. HAGEN. Already, of course, under the present law once it gets into the channels of GSA, these public or nonprofit agencies can com-



pete with any one in acquiring the property. In fact, I think under the law they have a priority.

Mr. GREIGG. If they have a priority, I am not familiar with that priority, Mr. Hagen. I can tell you that we have fought long and hard to try to find them priority for a local school board, but we have not been successful. As a result of the introduction of this piece of legislation back in January, a freeze has been placed on the dismantling of these quonset facilities pending the outcome of this piece of legislation.

To show you the type of problems related to this, Senator McGovern had a dire need for two of these facilities for some consolidated school districts in South Dakota. We sent a letter to GSA asking them, through Chairman Cooley of the House Agriculture Committee, to see if they could make allowance so that these school boards could acquire these. GSA would not make that allowance, because the law is pretty clear that such facilities be put into Federal agencies first.

Mr. HAGEN. I think we should clarify this aspect of it. I have some interest in it, because I am trying to get authority for the Navy to donate a parcel of real estate to one of my counties for about 3 years now. It is my understanding that any surplus Government real estate, or I would assume a building, if an educational agency, say a school district, wants property they have a priority, and not only do they have a priority, they can get it for nothing if it is for educational purposes. That is my understanding. If they want it for recreational purposes, they can get it for 50 percent of the appraised market value.

This is the problem I have because in this particular instance, where I am speaking of Navy property, 50 percent is more than the county wants to pay. That is my understanding of the law. I could be in error. If it is for educational purposes, I think you can get an outright gift under the present law.

Mr. MATSUNAGA. It is only through GSA.

Mr. HAGEN. I understand.

He just wants to put a priority ahead of the GSA process. Actually, all I am saying, if he lets it go through GSA and it is for educational purposes for school districts, they could get it for nothing.

Mr. GREIGG. This has not been the case.

Mr. HAGEN. I am curious about this because I have struggled with this problem in connection with the parcel of Navy land I am trying to get.

Mr. GREIGG. Mr. Chairman, let me point out something I was pointing to—

Mr. MATSUNAGA. Mr. Hagen still has the floor.

Mr. HAGEN. I think we ought to clarify that and for that reason alone have GSA up here. I want to know what their rules are.

Mr. MATSUNAGA. The witness, Mr. Greigg.

Mr. GREIGG. I pointed out to Mr. Fitzgerald a while ago, and I think we should emphasize the point again, when these quonsets remain in the local communities the tie-in I think with agriculture is significant. Should we find in the future the same kind of surpluses that we have had the past 6 or 10 years, the Agriculture Department would be in a better position to acquire these facilities right in the area than to go to the additional expense of building new structures or moving them in. This is why I think it is important to tie this in



with the Agriculture Department. I think this makes it a little more unique than having just the whole sphere that the General Services Administration follows.

I wanted to point that out in answer to Mr. Hagen's comments.

Mr. HAGEN. You don't spell out any formula for price here, if any?

Mr. GREIGG. No.

Mr. HAGEN. You are liable to run into a problem. Senator Morse has the Morse formula that you are well aware of, where he requires market value cash on the barrelhead except for these specified purposes of education and recreation.

Also you not only include public agencies, but private nonprofit agencies as eligible and I think this aggravates the problem unless you do state this is to be a sale for the fair market value.

Mr. GREIGG. Again this follows the same procedure that is being used at the present time and that is the bidding process and the department accepting the bid based on what the market price is.

As far as spelling it out is concerned, I don't know that there is any need for additional spelling out, but if it would improve the piece of legislation, I would have no objection to making some adjustment to make it specific about price.

Mr. HAGEN. I think you might have a problem there. I know Senator Morse from Oregon is very adamant on this.

Mr. TEAGUE. I think so too. I repeat, I am not opposed to this, but I foresee some troubles. You are going to have people say, "Well, why should we sell this quonset hut to the local fair board for \$2,000 when another Government agency wants it and it would cost \$13,000 or \$15,000 to build a comparable facility which is needed by the other Federal agencies?"

Mr. GREIGG. Mr. Teague, I don't see how you can justify the dismantling of one of these quonset facilities and, at great cost, move it 400 or 500 miles for another Federal agency and put in another concrete slab, erect a structure elsewhere. Keep in mind the department is not going to take a loss in the purchase price back in the community that will be seeking these facilities.

Mr. TEAGUE. Perhaps you can't justify it, but I just point out again that this is the sort of thing you are going to run into when it reaches the floor.

Mr. GREIGG. I will say this, that Mr. Heline this morning has followed this whole process step by step, and I am sure that in his testimony he will have some comments to make that will probably go into a little more detail as to some of the real problems he has encountered as to securing one of these on the local level.

Mr. MATSUNAGA. If there are no further questions of Mr. Greigg, we will call our next witness.

Are there any questions of Mr. Greigg?

If not, our next witness will be Mr. Oscar Heline, of Marcus, Iowa.

Mr. Heline, will you kindly take the witness stand?

#### STATEMENT OF OSCAR HELINE, MARCUS, IOWA, REPRESENTING THE MARCUS COUNTY FAIR BOARD

Mr. HELINE. Thank you, Mr. Chairman and members of the committee.

Because of my eyesight, I haven't been able to put down on paper notes or a statement and read it if I had it, so I am going to talk for a few minutes.

First, I would like to give you a little background to indicate my reason for this interest. It has been a longtime interest in all of the activities of the Department of Agriculture. Originally I was a member of the State corn and hog committee. Many of you don't remember back that far. It was in the State of Iowa and we were associated with men like the late Spike Evans who was on the Federal Reserve Board and Bill MacArthur, who was in the Department of Agriculture; Bob Morse, whom many of you have known, and Henry Wallace, when he was Secretary of Agriculture. We started in the old AAA days and we used to have to write some of these rules. I remember when we used to experiment with the rules out in the field and then we would go into Washington and have them written so they could be used by the Government in other areas.

The rules have been written and looked at for a long time as far as I am concerned. I know what some of the difficulties are and the processes which we have to go through, but this local problem is one in which I get amused sometimes when I think about the effort that we have put forth for a few quonset buildings for a local school and fair board. The total value, the acquisition cost, was less than \$16,000, but they are a part of a community which is agricultural.

The law originally was for the purpose of helping agriculture and it has done so very well over these many years. Everybody out in our country are farmers, whether they are local business people or are actually tilling the soil, as you well know, and so this total community is interested in these quonsets that happen to be on the fairground property. They have been used for a small fee each year that there was need for storage. I was visiting with some of the members of the school board the other day and I said, "If you acquired the property and could use it for your purposes, would there be any question of doubt if the Government needed them again, but what they would be made available," and he said, "Of course not. That is the reason they were put there in the first place, so they could serve the agricultural needs of that community," and they would be available and serve again in many ways.

Now, this is just a little fair. They have about 3,000 exhibits. It is rated quite highly by judges as comparable to much larger fairs. We have got some records up there on livestock entries all over the United States, so we have a good community with good farmers and with people who are good citizens and all we are asking for is an opportunity to retain that which they have used and have helped contribute to.

This is only a typical example of many areas and many other situations. They could be listed from this local fair board to the consolidated school district which had two quonsets just two miles from where I live—I have some land in two school districts and I am right in the center of them. These two buildings were situated right across the street from the consolidated school. The school board would have liked to have acquired them for storage of school buses but because they couldn't be sold under the law that exists now, to the school board because they were not handlers for storage of agricultural

commodities, they were finally sold to two farmers; they were hauled out into the country and they were sold for \$1,000 apiece.

I don't remember the acquisition cost of those, but it was probably around \$5,000 apiece. They were hauled to the country and the slab was left on the ground. They were sold for \$1,000. The county has to tear up the concrete and dispose of it and clear the land in its original state which costs about \$500 for each unit. So the net income to the U.S. Government is \$500 for each of these quonsets.

You can readily see there isn't very much return to the Government when you have to go about it in that method. The same thing would occur at the fair board so the fair board decides they have no use for the cement slabs and the county would have the expense of removing them.

Now, this happens in every place where there is a Government facility on a piece of public land, or where a public unit would like to acquire it.

We had a situation of a county that had a quonset on county land. It would have liked to have used it for storage and found exactly the same situation. I could go on and on.

The point that I think this bill provides is that these other agencies could purchase these in competitive bidding if they were not used for the storing or handling of agricultural products, but were used for public need. I would like to see the bill go further than that. I think in situations like the school board I was telling you about, it should be given as a grant as one of the Congressmen mentioned, because it is for public and educational purposes.

The GSA, I understand, has given considerable property over the United States to Government agencies, to educational institutions and we don't see any reason why it shouldn't be done similarly in these smaller communities.

But there is something in the law which keeps the Department of Agriculture from selling the buildings to anyone who cannot sign this statement: for the handling and storage of agricultural commodities.

I might add one word. Some of these buildings that go into the country aren't always used for that purpose. Once they become the property and are placed on the land of the farmer, it is pretty hard to keep that building from being used for whatever purpose suits his particular needs once it arrives. I don't think anybody is running around trying to find out how many people are disregarding the law. If a public institution such as the school board or the fair board, or any other county unit, local or State, would use them for other purposes, it would be known immediately. So most people don't like to sign a statement of that kind whether it will be used for the purpose or not and, therefore, they just don't want to bid.

Now, those are some of the problems that are arising. Once these quonsets were turned over to GSA, they went to forestry. Forestry turned it over to our State conservation commission. The State conservation commission couldn't do anything with them to help us. They had to use them for the specific purpose for which the law provided under the forestry section.

Now, the commission in Iowa would like to have buildings for their forestry section and they would also like to have them for the fish and game, but the law doesn't permit them, as a conservation committee, to use them for fish and game. They only can use them for



forestry. In other words, hands are tied here and there along the way where it would make good sense to have some freedom to do some of the things which would be in the public interest.

Now, all we are asking is that we try to do the sensible thing, whatever it takes to do this thing in a sensible manner, which does the most good for the most people. This is all we are asking. This bill goes, I think, quite a ways in that direction. I don't think it goes far enough, but I think there is fear on the part of some of the departments that if you open this up once, you get into a great deal of trouble and I can see where that might be true.

Mr. MATSUNAGA. Have you finished your statement now?

Mr. HELINE. Yes; I think I have talked long enough.

Mr. MATSUNAGA. Thank you very much.

Mr. HAGEN. I am not quarreling with Mr. Greigg, who is one of the very able new Congressmen from Iowa that we have here, but actually his bill wouldn't reach your situation. The problem is, these farmers have a first priority. This would establish a priority after the farmers had exhausted theirs. What you want really is a priority equal to that the farmers have, or even ahead of it, if I am correct in understanding your situation.

Mr. HELINE. In this particular situation, the farmers would not have bid on these buildings if they were wanted by the fair board because it was a community project. The other thing is that it would be almost impossible to move them out intact because of the difficulties in the area surrounding it. They would have to be torn down.

Mr. HAGEN. That is very true, but under that portion of the law, which would not be changed by Mr. Greigg's bill, the farmers have an absolute priority. That is the first route of disposal and if a farmer wants to come in, he gets it regardless of whether the school district wants it or not. That is the point I wanted to establish.

Mr. HELINE. If they have priority, they would be permitted to bid and if they were the high bidder, they would receive them.

Mr. HAGEN. Would you be in favor of eliminating this farmers' priority and giving a local agency of government equal priority or a higher priority?

Mr. HELINE. Oh, no. I think the farmer should have the priority and under the bidding system they do have it.

Mr. HAGEN. That would not be changed by this bill so it really wouldn't handle your particular situation with this bill, as I understand it.

Mr. MATSUNAGA. Mr. Heline, in the case of a farmer purchasing on priority from the Department of Agriculture, is he permitted to remove the quonset hut, for example, off the property upon which it is located after he is successful in the bidding?

Mr. HELINE. Yes, sir.

Mr. MATSUNAGA. In about what percentage of the cases would you say the quonset is removed out of the district?

Mr. HELINE. Well, I don't know of any farmer, or warehouseman who has moved them out of the district once they were purchased. When I say "district," I mean the local community. The nearby community.

Mr. MATSUNAGA. Then you are saying in the overwhelming majority of cases the facility is kept right within the district wherein the facility is located?



Mr. HELINE. Yes, sir; I am sure that is right.

Mr. MATSUNAGA. So actually the farmer is being restricted to the storage of agricultural products and the facility is being put to the original intended purpose?

Mr. HELINE. In most cases.

Mr. GREIGG. Mr. Heline, I think you have stated exactly your feelings on the question. You do not want a bill that would change the overall procedure of taking care of farm productivity. This was my thinking in the introduction of this bill. As I said in my testimony this morning, this bill will not affect anyone in the Department. It will not affect anyone in the entire range of farm productivity, but I do think a distinction should be drawn here between these circular bins and the quonset-type bin. There is a continuing need in the rural areas for the circular-type bin. On the other hand, Mr. Heline pointed out a couple of instances where some quonsets were moved out into some rural adjacent areas. This is rather rare. Mr. Hagen expressed concern that this bill would not change the law and the farmers would still proceed and bid and acquire the quonset facilities. I do want to emphasize the point which Mr. Heline was making that in a community such as Marcus, where there is a closeness in cooperation between the various segments, that the majority of the farmers there would do everything possible to see that these quonsets could be acquired for fair purposes rather than for one farmer to try to bid so that he could move them out.

Mr. TEAGUE. I want to ask Mr. Greigg a question if I may.

In your bill you refer to the minimum price set by the Secretary. Well, suppose the Secretary sets a minimum price of \$2,000 and no one offers that. Suppose the local school board offers \$1,950 and the local farmers offer \$1,900. The school board would get it, would it not?

Mr. GREIGG. The school board would not get it. The first use would still go to the farmer. This would be the procedure. The use would first go, Mr. Teague, to anything connected with agriculture and the farmer then would be in a position to acquire that facility. After all of the agricultural uses have been exhausted, then the school board or industrial corporation or a fair board would have an opportunity.

Mr. TEAGUE. Supposing the school board bids \$1,950 and the farmer bids 10 cents. That is a little ridiculous, I realize, but the farmer would get it?

Mr. GREIGG. The rights are stated in the measure which would follow the bidding procedure which would initially make them available to farmers. After this use has been exhausted—the minimum price figure still holds for the farmer.

Mr. TEAGUE. Suppose no one offers the minimum price. Then you provide it can be offered to any public or nonprofit agency. Suppose a farmer is interested but neither the agency nor the farmer is willing to pay the minimum price? I think Mr. Heline wanted to comment on this.

Mr. HELINE. Once the Government set a minimum price, they were not sold regardless of the price bid by the individual farmer and what has actually happened in most cases, whether they are round bins or quonset bins, there has been a minimum price set. Generally the auxiliary would go down the line and a bunch of farmers will say

"I will take one, two, three, four, five," and they take them at the minimum price and the auction doesn't go beyond that. That has happened in almost every instance, where they set a minimum price of \$1,000 a quonset, if there was no bid there was no sale and no bid was accepted under \$1,000 because it was announced it wouldn't be sold for less than \$1,000. So, consequently, it wasn't sold at all.

Mr. TEAGUE. Desiring still to dispose of the property, could it not be offered for sale in a sealed bid arrangement?

Mr. HELINE. Yes, and it could be offered for sale again at a different price if they so determined, but at that particular sale that would be it. Whatever they determined.

After that it could be sealed bids or it could be a different price if they should so determine.

Mr. TEAGUE. But the Secretary, if this bill were passed, could still be under obligation to sell to the farmer if the farmer wishes the facility. Is that your answer?

Mr. HELINE. At the minimum price. Not less than the minimum established price.

Mr. TEAGUE. Thank you.

Mr. MATSUNAGA. Mr. Heline, do I understand you to say that in general practice the sale is by direct negotiation with a buyer at a minimum price? Is that the common practice, or is the sealed bid the common practice?

Mr. HELINE. The auction is the common practice, but what actually has occurred in most of the sales that I have seen and attended and heard about is that they will set a minimum price of say \$100 for a circular bin and then they don't go through the process of bidding it up to \$100 because they wouldn't be sold for less than \$100 so they say, "Does anybody want the bin for more than \$100?" That is the auctioneer's cry. "Does anybody want to bid more than \$100?"

I attended a sale in my own community last winter where I think there were 30 or 40 bins sold and nobody bid over the \$100, but we would walk along with the auctioneer and somebody would say, "Well, I will take three," or "I will take two," or "I will take five."

We went down the line and when we got all through, when we got toward the end of the string, the auctioneer said, "Is there anybody who would like to bid more than \$100 for the last few bins?"

Nobody did, so the whole string of bins sold for the \$100 by everybody saying, "I will take one, two, or three, at that price."

The auctioneer was there to take a higher bid if somebody was afraid he couldn't get it for \$100 and wished to pay more. He would have had the opportunity.

Mr. MATSUNAGA. Then the minimum price is the real important thing in the type of sales you have been having?

Mr. HELINE. That is right. That is the method by which they have been held.

Mr. MATSUNAGA. Do you have any idea as to how the minimum price is determined?

Mr. HELINE. No. I think upon some basis of percentage of cost and what the public is willing to pay.

When they have tried to sell them at a price higher than \$100, they haven't had many takers. They just sit there. We still have some buildings that are not sold because there are not enough people who are willing to buy them at that price. It depends on the kind of

construction of the bin, whether it is aluminum or steel or double rifted, or single rifted, et cetera. Some people will take most any kind of a bin at \$100 and others will take only the choice ones.

Mr. MATSUNAGA. Have you attended any sale where there was a sealed bid method of sale?

Mr. HELINE. The sealed bids would be taken at the county office.

Mr. MATSUNAGA. Have you attended any sales where the method of sales was by sealed bid?

Mr. HELINE. No, I have not.

Mr. TEAGUE. As I understand it, the purpose of this bill is to provide a procedure where nobody will pay the minimum price. There is no requirement that the Secretary set another minimum price. It is offered at the minimum price and there are no takers. Then he can go ahead without restriction and sell it to any nonprofit private or public organization.

Mr. HELINE. And the reason in many instances where there was not a bid was because of the clause "to be used for the handling or storage of agricultural commodities." The Fair Board could stretch its imagination by saying, "Yes, we accept exhibits and we store them for the period of time of the fair," but that is stretching your imagination a little bit and some of the people who are particular about what they sign dislike the idea of signing for buildings where it is really not the intent. That really wasn't the intent of the law, to use it for that particular purpose. It was to be used for the storage and handling of grain.

For that reason, the Fair Board—they would have made the purchase, there was no question about that, if they could have felt justified in signing the statement.

Mr. GREIGG. As Mr. Heline knows, I have had many requests for consideration of these quonset facilities in northwest Iowa. The procedure we followed, once it was indicated a hearing would be held on this measure, was to send telegrams to these people who had indicated some additional interest. In the community of Pocahontas, Iowa, there are some quonsets there that are sorely needed by the local industrial development corporation. I think one thing we should also emphasize is that if we are going to do everything we can to boost these rural communities, a substantial incentive for industry coming into these little communities would be to make these facilities available.

In Pocahontas, for example, the department made available these quonsets for farm use. Apparently there was no interest on the part of farmers in that area to acquire the facility. The next step was then to turn the facility over to GSA and until a freeze was put on the dismantling of these facilities, one was slated to go to Sandstone, Minn., for part of the services connected with the correctional institution in that community.

As Mr. Heline pointed out, we could cite many examples of the need—now, I point to that specific case to show that there was apparently no interest on the part of farmers or those related to agricultural commodity needs for the acquisition of that piece of property. That is why the bill was introduced, so that different groups within the community then would be in a position to secure that facility.

Thank you very much.



Mr. MATSUNAGA. Are there any questions?

Mr. REDLIN. Are these quonset buildings the type called a crimped nail construction?

Mr. HELINE. I haven't paid much attention to that construction.

Mr. REDLIN. In taking them down, do you feel you would do considerable damage unless you are very careful and you wouldn't have as good a building when you reconstructed it as you had in the original installation?

Mr. HELINE. Certainly anybody who knows anything about steel construction of any kind, it doesn't matter how they are built; we have several steel buildings on our farms and we try to do something with them and you hardly could ever make them leakproof and anybody knows just as soon as you start hammering steel you are apt to make indentations or some bends and when you try to straighten them out you will have a real problem in getting a leakproof building. It is difficult enough to install them the first time so that they are leakproof.

Mr. REDLIN. I have several of these buildings on my own farm and I do want to establish this point: The value of the building, when you are contemplating dismantling it, would be considerably less. The man who knows he has to dismantle it is not going to give as much for that building as he would if he could find use for it and could get a lease on the property and leave it where it is and use the foundation in addition.

Mr. HELINE. Certainly.

Mr. REDLIN. There is no question about that.

Would it be a fair statement to say then that the U.S. Government will recover a great deal more if it can sell these on the basis that the man is going to use the building on the spot, with the building being left where it is?

Mr. HELINE. That is right.

As I say, the net to the Government now is about \$500. If you sell it for \$1,000 and pay \$500 to get the foundation removed, it doesn't leave very much for the Government and it could be very useful if it was left intact for various purposes, not only for the purposes we have mentioned but, as you mentioned, relative to industrial use.

The U.S. Government is spending quite a little money. We have attended meetings in our district where they are trying to develop industrial activity in all these little towns, and I guess every little town has spent a good deal of money itself in trying to bring industry in the community in order that we can keep a well-balanced agricultural community. So we take it away with one hand and give it back with the other, but in the process we lose a great deal. There could be a great deal saved, it seems to me, on the part of the public, if we could utilize the facilities wherever they are available for the needs to which they could be applied, whatever that is.

Mr. REDLIN. Coming from an area where we have reorganization of rural school districts, this school garage problem is quite a thing for us as well. I can conceive of very many areas wherein this would be a tremendous asset to the rural communities.

Mr. GREIGG. Will the gentleman yield?

Mr. REDLIN. Yes, sir.

Mr. GREIGG. I can point out, Mr. Chairman, that there is a small community not far from Sioux City where the county would want to

make use of one of these quonset facilities strictly for the storage of maintenance equipment and yet they are prohibited from doing so because they are not going to go out on a limb and sign the statement that they will be used for the storage of commodities, agricultural commodities.

Mr. REDLIN. In many cases in the community it is quite hard for the local people to understand the tearing down of a building which reduces its usefulness tremendously and then leave a local community with nothing but a bare piece of concrete that has to be destroyed. This is one of the things we are dealing with. It is difficult for the local people to understand how this means provident use of the Government's resources. Is this not true?

Mr. HELINE. Yes, sir. I think there is a great deal of wonderment on the part of the public about some of these things, why they are done the way they are, and I suppose within Government it is necessary to do some of these things. But, after all, we are a group of taxpayers and really pretty good citizens of these United States, and I think most of us feel that we ought to be given a fair deal in the disposition of Government property where it isn't necessary to use it for the original purpose. It is for that reason that we are here. It makes me smile sometimes, when I think of the effort we have put forth in trying to save about \$16,000 worth of property that was acquired by the United States when we could be doing so many other things more profitably.

It isn't the funds that are at stake. Our community is a pretty well-to-do community; it is a good agricultural area. I imagine they could go out and buy the buildings and put them up there new if they wanted to, under a community project. We have done some things, communitywise from time to time that have cost a good deal more than that. We are building new churches, a million-dollar school. One night when I was chairman of the local Rotary Club they wanted a golf course up there in my community and we raised \$30,000 in one evening and they are playing golf up there now.

It isn't because we are so desperate. We are in one of the best agricultural areas in the United States. But there is some principle involved in this thing. It seems to me it needs to be discussed. It is a principle that ought to be good business sense for the Government and that is what we are concerned about.

I think it is possible for the Congress of the United States, if there have been some errors in the law, they could be corrected to the point where there would be equity established, and so that everybody would be happier than they are at the present time.

Our conservation commission down there, when we visited with them last winter, recognized our situation and then they came up, after they had been given the property, they came up with having to make decisions which are not according to their best judgment. In other words, they have jurisdiction over areas in which they could use these facilities to better advantage in fish and game for instance, than in forestry. At least they would receive more of them, but their hands are tied also. I think they have an interest.

All we are asking is that there be the kind of equity in which good citizens are interested.

Mr. MATSUNAGA. I think you have made your point, Mr. Heline.

Mr. CALLAN. Mr. Heline, don't you think this could probably be

handled if you just amended the Commodity Credit Corporation Act to say that the Commodity Credit Corporation could take factors other than farm storage into consideration in the disposal of this property? Wouldn't this do the job?

Mr. HELINE. I think that would help, but at the present time we have gone too far. These buildings are tied up now in forestry. They have gone past the stage where we could do what you suggest. It could save other situations, but I would surely hope that action could be taken which would save the present situation while they are still there.

We now have a freeze all over the United States because of the situation and we don't want to continue the freeze all over the United States on these quonset buildings. We want them released, like everybody else does. I don't think it is fair that we have them tied up for any length of time.

Mr. CALLAN. They are tied up now, in other words.

Mr. HELINE. All the quonsets in the United States are tied up because of this action. The conservation people in the States that are involved are tied up. They can't do anything. They can't move. They are sitting idle at the moment.

All we are asking is that someone who has some authority—and if it isn't within the jurisdiction of the agencies of Government, then we do have the U.S. Congress, and that is why we are here appealing to you.

Mr. MATSUNAGA. If there are no questions, we thank you very much, Mr. Heline. We certainly appreciate your taking time out to be with us this morning and to come up on a matter such as this, which doesn't really involve too much, but involves real principle, as you say.

Mr. HELINE. Thank you, sir.

Mr. MATSUNAGA. Are there any other witnesses here?

Our next witness will be the Congressman from Iowa, Mr. John Hansen.

#### STATEMENT OF THE HON. JOHN R. HANSEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA

Mr. HANSEN. Mr. Chairman and members of the committee, as you know, I am Congressman Greigg's next-door neighbor, as well as a next-door neighbor to Congressman Callan. We come from an area where we have a lot of wide open spaces and I concur in what Mr. Heline has said, that this sounds like we are making a mountain out of a molehill, but this question of storage and space in our part of the country is just a little more crucial in the minds of our people than might ordinarily be the case under a given set of circumstances elsewhere.

Now, the thing sums up briefly this way: That there is a situation which could benefit many of our local communities in rural America and this has come about because there has been a successful reduction in our agricultural surpluses and that has left many of these quonset-type storage bins that are no longer needed for that purpose.

It is my understanding that under present law such a building is not purchased by a local farmer or a local firm for grain storage and cannot be held in its present location but is offered to other Federal



agencies and, failing their disposition, it is finally placed in the hands of General Services Administration for disposal.

This usually means that it is shipped away and the concrete base upon which it rests is broken up and too often these buildings are sorely needed. The communities are endeavoring to grow. I think it is a question of where the utilization would be much more beneficial to the country as a whole leaving it where it is rather than sending it to another State, or perhaps to a foreign country.

There are many local governmental or quasi-governmental groups who can use these excellent facilities that are in fine shape. As has been mentioned here before, there is a dire need in practically every county for school bus storage and for county road department storage and for 4-H Club space. The fine thing about these surplus buildings is that they are located in areas where they can be put to use without a lot of expense. This situation offers Congress a unique opportunity to develop much of the local potentiality we have in this area and at the same time save the taxpayers the cost of moving these facilities around the country.

I believe that the purpose of this bill would be realized best if school boards, city councils, county boards of supervisors and other quasi-governmental agencies be given the first opportunity to acquire these buildings after the agriculture requirements have been met in the area.

I urge the committee to approve this bill or a similar piece of legislation that would reach that goal and which would allow and encourage the facilities to be used in these various ways.

I want to point out one additional factor which I think has been overlooked and that is by opening up this one extra slot of acquisition possibility on the part of the potential buyer, I think you are creating a situation where you will have a greater potential market and thus serve the interests of the government and the public to a better degree by bringing about a situation where you have a possibility of a greater number of bidders for these facilities and thus arrive at a better price at the local point.

With that I thank you for your time.

Mr. MATSUNAGA. Thank you, Mr. Hansen. We certainly appreciate your appearing before the committee and sharing with us your views.

Are there any other witnesses?

Mr. CALLAN. I have just one short statement, Mr. Chairman. Most all of this has been covered, but I would like to add one point.

We are considering legislation to establish community development districts. It just occurred to me we could use these unneeded general storage facilities in these rural areas and it would certainly complement this program.

Mr. MATSUNAGA. Thank you very much.

Are there any other statements?

I have a statement from Congressman William L. Hungate and a letter here addressed to me as chairman of the subcommittee, from Senator George McGovern of South Dakota.

Without objection I will have these made a part of the record at this point.

(The statement and letter referred to follow:)

STATEMENT OF HON. WILLIAM L. HUNGATE, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF MISSOURI

Mr. Chairman and other distinguished Members of the Committee on Agriculture, I appear before you today because I strongly believe that the Department of Agriculture is unnecessarily restricted in its authority to dispose of grain storage facilities.

For far too long such facilities have been declared excess property and have not been offered to the private purchaser for uses other than those having to do with the storage or handling of grain commodities.

If the Department of Agriculture has no expressed need of a grain storage structure; and if the minimum price as set by the Secretary of Agriculture is not met by a private bidder seeking the structure for agricultural storage purposes, then said property should be offered for sale to any reputable public or private nonprofit buyer, for unrestricted use.

Let our laws recognize the need for flexibility in administering the disposition of agricultural storage facilities. I respectfully request that this Committee recommend passage of H.R. 12360.

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U.S. SENATE,  
COMMITTEE ON AGRICULTURE AND FORESTRY,  
*July 15, 1966.*

HON. SPARK M. MATSUNAGA,  
*U.S. House of Representatives,  
Washington, D.C.*

DEAR CONGRESSMAN MATSUNAGA: I have been advised that your Subcommittee of the House Agriculture Committee is currently holding hearings on Congressman Stanley Greigg's bill, H.R. 12360, which would allow the Department of Agriculture to dispose of excess grain storage facilities directly to school districts. I would appreciate having my views on this matter made a part of the hearing record.

As you know, the Department is presently required to transfer these bins to the General Services Administration when they become excess to the Department's needs. Under the provisions of the Federal Property and Administrative Services Act, GSA then offers them to other Federal agencies and, if there is no demand, they may be disposed of to school districts through the Department of Health, Education and Welfare.

I have been in close contact with several cases in recent months where this procedure has resulted in bins being unavailable to schools in the same community in which they are located, because they are claimed by Federal installations a considerable distance away. The Subcommittee will no doubt be advised of instances where bins have been moved great distances, at substantial cost, instead of staying in the same locality and filling a legitimate public need.

In my contacts with officials of the General Services Administration, I have found that they are sympathetic to these problems, but that they are bound by present law. I am of the opinion that a change in the law is highly warranted, and that the Greigg bill has great merit. The Subcommittee may also want to consider the possibility of allowing the General Services Administration to sell the bins to school districts at a price equal to the assessed value minus the cost of transporting it to the location at which it is demanded by a Federal agency.

I will be very much interested in your progress on this legislation, and appreciate your courtesy in allowing me to offer my comments.

With every good wish, I am,  
Sincerely yours,

GEORGE MCGOVERN.

Mr. MATSUNAGA. As outlined above, the Senator supports Mr. Greigg's bill and requests that he be recorded as being in favor of the Greigg bill.

Are there any further statements?

If not, it has been suggested that the GSA be called as a witness. Is there any objection from members of the subcommittee? The feeling is that unless GSA is heard from we may run into opposition on the floor.

Mr. GREIGG. Mr. Chairman, I have no objection to having the GSA appear before the committee, but I think in all frankness the members of this committee know about the attitude of the General Services Administration; we know that they are not going to be very excited about the suggestion of giving up some of their jurisdiction. If the GSA would want to appear and it is the consensus of the committee that the members would want to hear someone from the GSA, certainly I would not object to it.

Mrs. MAY. Would the gentleman yield?

Mr. GREIGG. Yes.

Mrs. MAY. Have you contacted them, Mr. Greigg?

Mr. GREIGG. Oh, yes; and I can tell you, Mrs. May, that I have a very substantial folder of correspondence on this issue between the Department of Agriculture and the General Services Administration as it relates to the bill introduced.

Mr. HANSEN of Iowa. Isn't it true actually about all you are asking to have done is to set one more slot in the process before it reaches GSA?

Mr. GREIGG. Yes.

Mr. MATSUNAGA. If there is no objection, the subcommittee will stand adjourned until further call of the Chair.

(Whereupon, at 11:50 a.m., the subcommittee was adjourned, to reconvene at the call of the Chair.)









LEGISLATIVE HISTORY

Public Law 89-758  
H. R. 12360

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## INDEX AND SUMMARY OF H. R. 12360

|       |          |                                                                                                                    |
|-------|----------|--------------------------------------------------------------------------------------------------------------------|
| Jan.  | 27, 1966 | Rep. Greigg introduced H. R. 12360 which was referred to House Agriculture Committee. Print of bill as introduced. |
| Aug.  | 5, 1966  | House subcommittee approved H. R. 12360.                                                                           |
| Aug.  | 19, 1956 | House committee voted to report H.R. 12360.                                                                        |
| Sept. | 1, 1966  | House committee reported H. R. 12360 with amendment. H. Report 1974. Print of bill and report.                     |
| Sept. | 19, 1966 | House passed over H. R. 12360.                                                                                     |
| Oct.  | 3, 1966  | House passed H. R. 12360 under suspension of the rules.                                                            |
| Oct.  | 4, 1966  | H. R. 12360 was referred to the Senate Agriculture and Forestry Committee. Print of bill as referred.              |
| Oct.  | 18, 1966 | Senate committee reported H. R. 12360 without amendment. S. Report 1835. Print of bill and report.                 |
| Oct.  | 19, 1966 | Senate passed H. R. 12360 without amendment.                                                                       |
| Nov.  | 5, 1966  | Approved: Public Law 89-758.                                                                                       |

**Hearing:** House Agriculture Committee on  
H. R. 12360. Serial QQ.





DIGEST OF PUBLIC LAW 89-758

SALE OF COMMODITY CREDIT CORPORATION GRAIN STORAGE FACILITIES. Amends the Commodity Credit Corporation Charter Act to permit the Corporation to offer for sale grain storage structures no longer needed for its own storage purposes to public and nonprofit agencies and organizations.









89TH CONGRESS  
2D SESSION

# H. R. 12360

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 27, 1966

Mr. GREIGG introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To amend the Agricultural Act of 1949 to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations.

1       *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*  
3       That section 404 of the Agricultural Act of 1949, as amended,  
4       is amended by inserting before the period at the end thereof  
5       the following: “: *Provided*, That, notwithstanding any other  
6       provision of law, where a grain storage facility is not needed  
7       by the Secretary of Agriculture and, upon being offered for  
8       sale no person offers to pay the minimum price set by the  
9       Secretary for such facility for use in connection with storage  
10      or handling of agricultural commodities, then the Secretary

1 may, without declaring such facility to be excess property,  
2 sell it to any public or private nonprofit agency or organiza-  
3 tion for use for the purposes of such agency or organization”.

A BILL

To amend the Agricultural Act of 1949 to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations.

By Mr. GREIG

JANUARY 27, 1966

Referred to the Committee on Agriculture







# DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
FOR INFORMATION ONLY;  
(NOT TO BE QUOTED OR CITED)

Issued August 8, 1966  
For actions of August 5, 1966  
89th-2nd; No. 128

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1. LANDS; RESEARCH. Passed without amendment S. 3421, which provides for the transfer of the Alaska Agricultural Experiment Station to the University of Alaska. p. 17553
2. EMPLOYMENT. Continued debate on H. R. 15119, to extend and improve the Federal-State unemployment compensation program. pp. 17553, 17566-87
3. SCHOOL MILK. Sen. Proxmire called extension of the school milk program "essential" to providing an adequate income for dairy farmers and an adequate supply of milk for the nation. pp. 17554-5

4. WATER POLLUTION. Sen. Muskie inserted an article outlining the Humble Oil and Refining Co.'s efforts to reduce waste discharges below the levels set by public regulations. pp. 17555-6

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HOUSE

6. LANDS. The Interior and Insular Affairs Committee reported S. 2366, to reform the method by which the University of Alaska may acquire land for its support (H. Rept. 1812). p. 17646

7. GRAIN STORAGE. A subcommittee of the Agriculture Committee approved for full committee action H. R. 12360, amended, to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations. p. D723

8. CIVIL RIGHTS. Continued debate on H. R. 14765, the civil rights bill. pp. 17593-619

9. INTEREST RATES. Rep. Patman criticized high interest rates and the operation of the Federal Reserve System. pp. 17592, 17623-4

10. FOOD COST; FARM PRICES. Rep. Johnson, Okla., expressed concern over rise in food items, claimed the farmer is getting "nothing for something," and commended the action being taken by Secretary Freeman to find out "where the money went." p. 17592

11. OPINION POLL. Rep. Multer inserted the results of a questionnaire including items of interest to this Department. p. 17625

12. TRANSPORTATION. Rep. Langen urged that every effort be made to make sure that there are sufficient boxcars on hand in the harvest areas of greatest need. p. 17627

13. LEGISLATIVE PROGRAM. Rep. Albert announced that this week the House will consider the military construction authorization bill, the road authorization bill, and the bill to establish a Department of Transportation. p. 17626

14. ADJOURNED until Mon., Aug. 8. p. 17646

ITEMS IN APPENDIX

15. FARM LABOR. Extension of remarks of Rep. Marsh, stating that "an adequate labor supply to harvest agricultural products is becoming an increasingly acute annual problem," and inserting an article on the subject. p. A4140

16. INVASION OF PRIVACY. Rep. Horton inserted an article and a statement of his own expressing concern about the proposed Federal central data system as a potential invasion of privacy. pp. A4143-4

17. FARM PROGRAM. Rep. Quie inserted an article, "Freeman on How to Win Votes." p. A4147







# ***DIGEST** of Congressional Proceedings*

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
FOR INFORMATION ONLY;  
(NOT TO BE QUOTED OR CITED)

Issued August 22, 1966  
For actions of August 19, 1966  
89th-2nd; No. 138

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**HIGHLIGHTS:** House committee voted to report bills to provide uniform crop liens and penalties, clarify law on overtime inspection services, and permit sale of grain storage facilities, and transfer experiment station to Alaska.

### SENATE

1. **DEMONSTRATION CITIES.** Passed, 53-22, with amendments S. 3708, the demonstration cities and metropolitan development bill. pp. 19158-66, 19169-83, 19182-206
2. **APPROPRIATIONS.** Agreed to the conference report on H. R. 15456, the legislative appropriation bill. This bill will now be sent to the President. pp. 19162, 19183-88

3. FOREIGN AFFAIRS; WATER. The Foreign Relations Committee reported without amendment S. 2747, to authorize an agreement with Mexico for joint measures for solution of the Lower Rio Grande salinity problem (S. Rept. 1485). p. 19119
4. LANDS. Passed without amendment S. 476, to increase authorizations for construction of airports in or near national parks, national monuments, and national recreation areas. pp. 19121-2
5. QUARANTINE INSPECTION. Passed as reported S. 1596, to provide for quarantine inspection by the U. S. at ports of entry without reimbursement by the owners of the transportation facilities. pp. 19122-3
6. BANKING. Began debate on S. 3158, to strengthen the regulatory and supervisory authority of Federal agencies over insured banks and insured savings and loan associations. pp. 19209-24
7. SCHOOL MILK. Sen. Proxmire urged further action on the school milk program. p. 19140
8. FOOD FOR FREEDOM. Sen. Nelson commended Sen. Mondale for his efforts in support of an agricultural research amendment to the food-for-freedom bill. pp. 19141-2
9. HORACE GODFREY. Sen. Talmadge spoke in praise of Horace Godfrey, ASCS Administrator, for 32 years of USDA service. p. 19148
10. ORGANIZATION OF CONGRESS. Sen. Monroney urged action on the proposals for reform by the Joint Committee on the Organization of Congress and inserted several editorials on the subject. pp. 19153-5
11. INTERGOVERNMENTAL RELATIONS. Sen. Ervin commended and inserted Sen. Muskie's speech outlining "how Congress can assist the counties in the more efficient performance of their governmental tasks." pp. 19151-3
12. ECONOMY. Sen. Hartke criticized present U. S. economic policies and outlined "a new strategy for the U. S. economy." pp. 19189-92

#### HOUSE

13. COMMITTEE BUSINESS. The House Agriculture Committee voted to report (but did not actually report) H. R. 4429, to provide for reimbursement to Wyo. for improvements made on certain Eden conservation project lands in Sweetwater Co., Wyo., if such lands revert to the U. S.; H. R. 5934, amended, to provide uniform provisions for crop liens, interest on unpaid marketing quota penalties, and the persons liable for such penalties for all commodities for which a marketing quota program is in effect; H. R. 9147, to permit meetings of the national advisory research committee to be held less often than quarterly; H. R. 3421, to convey the agricultural experiment station to the University of Alaska; H. R. 9150, to clarify the Department's authority to furnish, upon a reimbursable basis, certain inspection services involving overtime work; and H. R. 12360, amended, to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations. Also approved work plans for several watershed projects. p. D783







Sept. 1, 1966

15. EDUCATION. The Rules Committee reported a resolution for the consideration of H. R. 8664, to implement the Agreement on the Importation of Educational, Scientific, and Cultural Materials, opened for signature at Lake Success on Nov. 22, 1950. p. 20805
16. FLOOD CONTROL. The Rules Committee reported a resolution for the consideration of H. R. 13825, to authorize an agreement for the joint construction by the U. S. and Mexico of an international flood control project for the Tijuana River. p. 20805
17. GRAIN STORAGE. The Agriculture Committee reported with amendment H. R. 12360, to permit the sale of grain storage facilities to public and private non-profit agencies and organizations (H. Rept. 1974). p. 20805
18. LANDS. The Agriculture Committee reported S. 3421, to convey certain lands and improvements thereon to the University of Alaska (H. Rept. 1975) and S. 4429, to provide for reimbursement to Wyo. for improvements made on certain lands in Sweetwater County, if and when such lands revert to the U. S. (H. Rept. 1976). p. 20805
19. ADVISORY COMMITTEE. The Agriculture Committee reported H. R. 9147, to permit meetings of the national advisory research committee to be held less often than quarterly (H. Rept. 1977). p. 20805
20. FOREIGN AID. Agreed to, 127-88, the conference report on H. R. 15750, the foreign aid authorization bill. pp. 20717-22
21. HEMISFAIR. Passed as reported H. R. 15098, to amend the law for U. S. participation in the HemisFair 1968 Exhibition, San Antonio, Tex. pp. 20723-5
22. SALINE WATER RESEARCH. Passed S. 2747, to authorize conclusion of an agreement with Mexico for joint measures for solution of the Lower Rio Grande Salinity problem, with an amendment to substitute the language of H. R. 11880, a similar bill, which had earlier been passed as reported. H. R. 11880 was tabled. pp. 20754-6
23. GEOTHERMAL STEAM. The Interior and Insular Affairs Committee voted to report (but did not actually report) S. 1674, amended, to authorize the Secretary of the Interior to make disposition of geothermal steam and associated geothermal resources. p. D841
24. TRUTH IN PACKAGING. Rep. Nelsen inserted an article opposing as "destructive legislation" the truth in packaging bill. p. 20774
25. INTEREST RATES. Rep. Patman expressed concern about high interest rates and inserted several items on the subject. pp. 20798-9
26. FEDERAL GRANTS. Rep. Fountain commended and inserted a speech, "Coordination of Federal Grant-in-Aid Programs," discussing problems and benefits of programs requiring intergovernmental cooperation and coordination. pp. 20800-02
27. FORESTS. Rep. Cohelan urged legislation to declare a moratorium on cutting of timber in both the Mill Creek and Redwood Creek proposed sites for a Redwood National Park. pp. 20803-4

28. ADJOURNED until Fri., Sept. 2. Agreed that the House will meet on Fri., Sept. 2, only for the purpose of adjourning over until Tues., Sept. 6.

ITEMS IN APPENDIX

29. PERSONNEL; SOIL CONSERVATION. Extension of remarks of Rep. Grover memorializing the dedicated service of John H. Wetzel. p. A4637
30. CREDIT. Extension of remarks of Rep. Cooley stating that "the credit situation in our country is of deep concern to all of us", and inserting a letter which explores the problem in depth. pp. A4638-9
31. FARM LABOR. Extension of remarks of Rep. Race urging economic justice for the farmworker. p. A4640
32. SURPLUS PROPERTY. Extension of remarks of Rep. McVicker stating that the Federal donable surplus property program must be continued. pp. A4641-2
33. POVERTY. Extension of remarks of Rep. Fraser on the "outstanding successes" of the poverty program and inserting a report on the success of the Job Corps programs. pp. A4644-6
34. FOREIGN AID. Extension of remarks of Rep. Saylor inserting a report which lists the nations--and each share--that have received economic and military aid from mid-1945 through mid-1966. pp. A4647-8
35. ANIMAL RESEARCH. Rep. Wolff inserted an article summarizing the dog-cat handling legislation. pp. A4651-2

BILLS INTRODUCED

36. MILK. H. R. 17483 by Rep. Rivers, S. C., and H. R. 17500 by Rep. Evans, Colo., to amend chapter 141 of title 10, United States Code, to provide for price adjustments in contracts for the procurement of milk by the Department of Defense; to Armed Services Committee.
37. TIMBER. S. J. Res. 192 by Sen. Kuchel and H. J. Res. 1293 by Rep. O'Brien, to preserve the trees within the boundaries of the proposed Redwood National Park until Congress has had an opportunity to determine whether the park should be established; to Interior and Insular Affairs Committee. Remarks of Sen. Kuchel pp. 20707, 20713
38. BALANCE OF PAYMENTS. H. R. 17504 by Rep. McVicker, to provide a plan for improving the international balance-of-payments position of the United States and for the establishment of a commission to study ways and means of implementing such plan; to Ways and Means Committee.

PRINTED HEARINGS RECEIVED BY THIS OFFICE

39. LEGISLATIVE POLICY; WATERSHEDS. Legislative policy of the Bureau of the Budget. H. Agriculture Committee.
40. PROPERTY. S. 3385, to amend the Federal Property and Administrative Services Act of 1949. S. Government Operations Committee.

## SALE OF GRAIN STORAGE FACILITIES

---

SEPTEMBER 1, 1966.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

---

Mr. COOLEY, from the Committee on Agriculture, submitted the following

### R E P O R T

[To accompany H.R. 12360]

The Committee on Agriculture, to whom was referred the bill (H.R. 12360) to amend the Agricultural Act of 1949 to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

On page 1, line 3, strike out "404 of the Agricultural Act of 1949," and insert "4(h) of the Commodity Credit Corporation Charter Act,".

Page 1, line 6, after the word "facility" insert "owned by the Corporation".

Page 1, line 7, strike out "Secretary of Agriculture" and insert "Corporation".

Page 1, line 9, strike out "Secretary" and insert "Corporation".

Page 1, line 10, strike out "Secretary" and insert "Corporation".

Page 2, line 2, after the word "it" insert "by bids at not less than such minimum price".

Page 2, following line 3, insert the following new sentence:

This provision shall apply also to facilities which on the effective date of this Act have been declared excess to the needs of the Commodity Credit Corporation but have not been claimed by any other Government agency, or surplus to the needs of the Government but not disposed of pursuant to the provisions of the Federal Property and Administrative Services Act of 1949, as amended.

Amend the title to read: "To permit the sale of grain storage facilities to public and private nonprofit agencies and organizations".



### PURPOSE

The purpose of this bill is to permit the Commodity Credit Corporation to offer grain storage facilities no longer needed by the Corporation, and not purchased for agricultural purposes at the minimum price established by the Corporation, to nonprofit public or private agencies or organizations for the purposes of such agency or organization.

### NEED FOR THE LEGISLATION

Under the present provisions of law and regulations made pursuant thereto, when the Commodity Credit Corporation determines that a grain storage bin is no longer needed for its storage purposes, the corporation appraises the bin and establishes a minimum price for it and then offers it for sale to any buyer for use for agricultural purposes. Competitive bidding is required wherever feasible.

If the bin is not sold in this manner, it is offered to other agencies of the Department of Agriculture. If it is not claimed by any other agency of the Department, the bin is declared surplus to the needs of the Department of Agriculture and is turned over to the General Services Administration which offers it to other agencies of the Federal Government. If no agency of the Federal Government wants the bin, it is then disposed of by GSA as surplus property.

In some communities it has developed that the Commodity Credit Corporation has not been able to sell its surplus bins for agricultural purposes but that there are nonprofit organizations or agencies in the community which might desire to buy the facilities at the price established by the Commodity Credit Corporation.

Under the present provisions of law there is no authority for CCC to make such a sale even though the structure might serve a further useful purpose by being sold to a local organization or governmental agency.

### COST

There would be no additional cost to the Federal Government as a result of this legislation.

### COMMITTEE AMENDMENT

The language added by the committee at the end of the bill would authorize the Commodity Credit Corporation to offer facilities for sale under the provisions of this bill if they have been declared excess to the needs of the Department of Agriculture or surplus to the needs of the Government but have not been disposed of at the time of the enactment of this bill.

### DEPARTMENTAL POSITION

Following is the letter from the Secretary of Agriculture stating that the Department has no objection to the enactment of this legislation and suggesting technical amendments which have been made in the bill:



DEPARTMENT OF AGRICULTURE,  
*Washington, D.C., July 18, 1966.*

HON. HAROLD D. COOLEY,  
*Chairman, Committee on Agriculture,  
House of Representatives,  
Washington, D.C.*

DEAR MR. CHAIRMAN: This is in reply to your request of February 3, 1966, for a report on H.R. 12360, a bill "To amend the Agricultural Act of 1949 to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations."

The bill provides that where a grain storage facility is not needed by the Secretary and cannot be sold to any person at the minimum price set by the Secretary for use in storing or handling agricultural commodities, he may sell it to any public or private nonprofit agency or organization for its use.

Since January 1961, the Department has disposed of 256.7 million bushels of grain storage facilities owned by the Commodity Credit Corporation (CCC). This storage was no longer needed directly by the Corporation due to the effectiveness of the feed grain program in reducing grain surpluses. There was, however, a continuing private need for most of this storage capacity in programs of CCC. A total of 252.7 million bushels of the storage space was sold through public auctions and sealed bids to purchasers who certified that the bins would be used for the storage or handling of agricultural commodities. This represented the continuing need for use of these facilities by the respective purchasers in programs of CCC. It is estimated that at least 90 percent of these bins was purchased by farmers and the balance by warehousemen, cooperatives, and others for grain storage. Approximately 4 million bushels which could not be sold at fair prices for the storage or handling of agricultural commodities were transferred either to other agencies within the Department for use in connection with their programs, or were transferred to the General Services Administration (GSA) for disposition.

Property which is "excess" to the needs of the Federal agency which has control of the property or "surplus" to the needs of any Federal agency, must be transferred or disposed of in accordance with provisions of the Federal Property and Administrative Services Act, 40 U.S.C. 471 et seq.

Commodity Credit Corporation has no authority to dispose of its storage facilities which have been acquired for the storage of its own grain except pursuant to other programs of the Corporation.

In actual practice ASC State and county committees determine the bins which are no longer needed by CCC directly for its storage needs. Upon approval by the Department in Washington, these bins are offered for sale to be used in programs of the Corporation, such as for storage under price support programs, resale programs, and commercial warehouse storage under the Uniform Grain Storage Agreement. To insure that bins are eligible for sale for program uses, rather than for other uses which could only be authorized under regulations of GSA, each purchaser of a bin which is to be sold for CCC program uses is required to certify that the structure purchased from CCC will be used in connection with the storage or handling of agricultural commodities.

Bins which are not needed for these purposes are then declared "excess" property and are offered to other agencies within the Depart-

ment of Agriculture for use in connection with their programs. If not needed by other departmental agencies, the bins are reported to the GSA for transfer to other Government agencies or other disposal.

Approximately 80 percent of the total storage capacity still owned by CCC is made up of the standard round 3,250-bushel steel and aluminum bins which have no practical use other than for grain storage. The balance of the storage capacity consists mostly of large flat buildings and miscellaneous types of storage which have other uses besides grain storage.

We have no objection to the procedures under existing legislation. If, however, in the judgment of the Congress further consideration is to be given to enactment of legislation embodying the objectives of H.R. 12360, a revision of the bill is recommended for the technical reason discussed below.

It is the view of this Department that amendment of section 404 of the Agricultural Act of 1949 to meet the objectives of H.R. 12360 is not appropriate. That section deals with section 32 of Public Law 320, 74th Congress, as amended, 7 U.S.C. 613c, and section 6 of the National School Lunch Act. The word "facilities" used in section 404 has no bearing or connection with grain storage facilities. We believe that it would be more logical to amend the Commodity Credit Corporation Charter Act. Accordingly, we suggest that if the legislation is enacted, the words in the bill "section 4(h) of the Commodity Credit Corporation Charter Act, as amended," be substituted for "section 404 of the Agricultural Act of 1949, as amended;" that the words "owned by the Corporation" be inserted after words "grain storage facility;" and that the word "Corporation" be substituted for "Secretary of Agriculture" and "Secretary."

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary*.

#### CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

#### COMMODITY CREDIT CORPORATION CHARTER ACT

\* \* \* \* \*

SEC. 4. GENERAL POWERS.—The Corporation—

(a) Shall have succession in its corporate name.

(b) May adopt, alter, and use a corporate seal, which shall be judicially noticed.

(c) May sue and be sued, but no attachment, injunction, garnishment or other similar process, mesne or final, shall be issued against the Corporation or its property. The district courts of the United States, including the districts courts of the District of Columbia and of any Territory or possession, shall have exclusive original jurisdiction, without regard to the amount in controversy, of all suits brought



by or against the Corporation: *Provided*, That the Corporation may intervene in any court in any suit, action, or proceeding in which it has an interest. Any suit against the Corporation shall be brought in the District of Columbia, or in the district wherein the plaintiff resides or is engaged in business. No suit by or against the Corporation shall be allowed unless (1) it shall have been brought within six years after the right accrued on which suit is brought, or (2) in the event that the person bringing such suit shall have been under legal disability or beyond the seas at the time the right accrued, the suit shall have been brought within three years after the disability shall have ceased or within six years after the right accrued on which suit is brought, whichever period is longer. The defendant in any suit by or against the Corporation may plead, by way of set-off or counterclaim, any cause of action, whether arising out of the same transaction or not, which would otherwise be barred by such limitation if the claim upon which the defendant's cause of action is based had not been barred prior to the date that the plaintiff's cause of action arose: *Provided*, That the defendant shall not be awarded a judgment on any such set-off or counterclaim for any amount in excess of the amount of the plaintiff's claim established in the suit. All suits against the Corporation shall be tried by the court without a jury. Notwithstanding any other provision of this Act, the Federal Tort Claims Act (Public Law 601, Seventy-ninth Congress) shall be applicable to the Corporation. Any suit by or against the United States as the real party in interest based upon any claim by or against the Corporation shall be subject to the provisions of this subsection (c) to the same extent as though such suit were by or against the Corporation, except that (1) any such suit against the United States based upon any claim of the type enumerated in title 28, section 1491, of the United States Code, may be brought in the United States Court of Claims, and (2) no such suit against the United States may be brought in a district court unless such suit might, without regard to the provisions of this Act, be brought in such court.

(d) May adopt amend. and repeal bylaws, rules, and regulations governing the manner in which its business may be conducted and the powers vested in it may be exercised.

(e) Shall have all the rights, privileges, and immunities of the United States with respect to the right to priority of payment with respect to debts due from insolvent, deceased, or bankrupt debtors. The Corporation may assert such rights, privileges, and immunities in any suit, action, or proceeding.

(f) Shall be entitled to the use of the United States mails in the same manner and upon the same conditions as the executive departments of the Federal Government.

(g) May enter into and carry out such contracts or agreements as are necessary in the conduct of its business. State and local regulatory laws or rules shall not be applicable with respect to contracts or agreements of the Corporation or the parties thereto to the extent that such contracts or agreements provide that such laws or rules shall not be applicable, or to the extent that such laws or rules are inconsistent with such contracts or agreements.

(h) May contract for the use, in accordance with the usual customs of trade and commerce, of plants and facilities for the physical handling, storage, processing, servicing, and transportation of the agricultural commodities subject to its control. The Corporation shall

have power to acquire personal property necessary to the conduct of its business but shall not have power to acquire real property or any interest therein except that it may (a) rent or lease office space necessary for the conduct of its business and (b) acquire real property or any interest therein for the purpose of providing storage adequate to carry out effectively and efficiently any of the Corporation's programs, or of securing or discharging obligations owing to the Corporation, or of otherwise protecting the financial interest of the Corporation: *Provided*, That the authority contained in this subsection (h) shall not be utilized by the Corporation for the purpose of acquiring real property, or any interest therein, in order to provide storage facilities for any commodity unless the Corporation determines that existing privately owned storage facilities for such commodity in the area concerned are not adequate: *Provided further*, That no refrigerated cold storage facilities shall be constructed or purchased except with funds specially provided by Congress for that purpose: *And provided further*, That nothing contained in this subsection (h) shall limit the duty of the Corporation, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in the warehousing of commodities: *And provided further*, That to encourage the storage of grain on farms, where it can be stored at the lowest cost, the Corporation shall make loans to grain growers needing storage facilities when such growers shall apply to the Corporation for financing the construction or purchase of suitable storage, and these loans shall be deducted from the proceeds of price support loans or purchase agreements made between the Corporation and the growers. Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed or approved by the Secretary of Agriculture, to accept strategic and critical materials produced abroad in exchange for agricultural commodities acquired by the Corporation. Insofar as practicable, in effecting such exchange of goods, normal commercial trade channels shall be utilized and priority shall be given to commodities easily storable and those which serve as prime incentive goods to stimulate production of critical and strategic materials. The determination of the quantities and qualities of such materials which are desirable for stockpiling and the determination of which materials are strategic and critical shall be made in the manner prescribed by section 2 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596). Strategic and critical materials acquired by Commodity Credit Corporation in exchange for agricultural commodities shall, to the extent approved by the Munitions Board of the Department of Defense, be transferred to the stockpile provided for by the Strategic and Critical Materials Stock Piling Act; and when transferred to the stockpile the Commodity Credit Corporation shall be reimbursed for the strategic and critical materials so transferred to the stockpile from the funds made available for the purpose of the Strategic and Critical Materials Stock Piling Act, in an amount equal to the fair market value, as determined by the Secretary of the Treasury, of the material transferred to the stockpile. Nothing contained herein shall limit the authority of the Commodity Credit Corporation to acquire, hold, or dispose of such quantity of strategic and critical



materials as it deems advisable in carrying out its functions and protecting its assets: *Provided, That, notwithstanding any other provision of law, where a grain storage facility owned by the Corporation is not needed by the Corporation and, upon being offered for sale no person offers to pay the minimum price set by the Corporation for such facility for use in connection with storage or handling of agricultural commodities, then the Corporation may, without declaring such facility to be excess property, sell it by bids at not less than such minimum price to any public or private nonprofit agency or organization for use for the purposes of such agency or organization. This provision shall apply also to facilities which on the effective date of this Act have been declared excess to the needs of the Commodity Credit Corporation but have not been claimed by any other Government agency, or surplus to the needs of the Government but not disposed of pursuant to the provisions of the Federal Property and Administrative Services Act of 1949, as amended.*

(i) May borrow money subject to any provision of law applicable to the Corporation: *Provided, That the total of all money borrowed by the Corporation, other than trust deposits and advances received on sales, shall not at any time exceed in the aggregate \$14,500 million. The Corporation shall at all times reserve a sufficient amount of its authorized borrowing power which, together with other funds available to the Corporation, will enable it to purchase, in accordance with its contracts with lending agencies, notes, or other obligations evidencing loans made by such agencies under the Corporation's programs.*

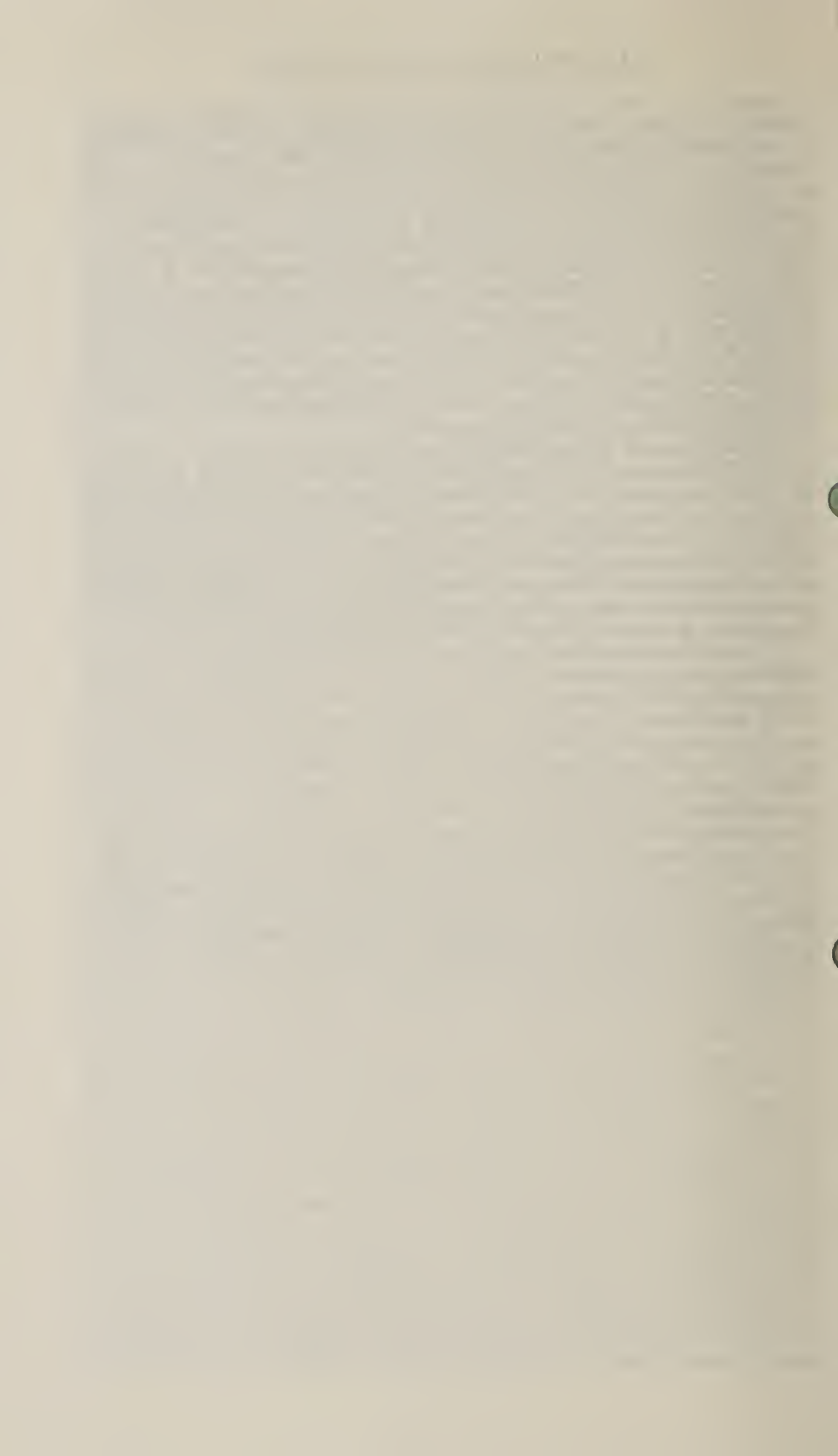
(j) Shall determine the character of and the necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed, and paid.

(k) Shall have authority to make final and conclusive settlement and adjustment of any claims by or against the Corporation or the accounts of its fiscal officers.

(l) May make such loans and advances of its funds as are necessary in the conduct of its business.

(m) Shall have such powers as may be necessary or appropriate for the exercise of the powers specifically vested in the Corporation, and all such incidental powers as are customary in corporations generally; but any research financed by the Corporation shall relate to the conservation or disposal of commodities owned or controlled by the Corporation and shall be conducted in collaboration with research agencies of the Department of Agriculture.





# H. R. 12360

[Report No. 1974]

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 27, 1966

Mr. GREIGG introduced the following bill; which was referred to the Committee on Agriculture

SEPTEMBER 1, 1966

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

---

## A BILL

To amend the Agricultural Act of 1949 to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That section ~~404~~ of the ~~Agricultural Act of 1949~~ *4(h) of*  
4       *the Commodity Credit Corporation Charter Act*, as amended,  
5       is amended by inserting before the period at the end thereof  
6       the following: “: *Provided, That, notwithstanding any other*  
7       provision of law, where a grain storage facility *owned by*  
8       *the Corporation* is not needed by the ~~Secretary of Agriculture~~  
9       *Corporation* and, upon being offered for sale no person offers  
10      to pay the minimum price set by the ~~Secretary~~ *Corporation*

1 for such facility for use in connection with storage or han-  
2 dling of agricultural commodities, then the ~~Secretary~~ *Corpor-*  
3 *ation* may, without declaring such facility to be excess  
4 property, sell it *by bids at not less than such minimum price*  
5 to any public or private nonprofit agency or organization  
6 for use for the purposes of such agency or organization.  
7 *This provision shall apply also to facilities which on the*  
8 *effective date of this Act have been declared excess to the*  
9 *needs of the Commodity Credit Corporation but have not*  
10 *been claimed by any other Government agency, or surplus*  
11 *to the needs of the Government but not disposed of pursuant*  
12 *to the provisions of the Federal Property and Administrative*  
13 *Services Act of 1949, as amended.*

Amend the title so as to read: "A bill to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations."





89TH CONGRESS  
2D SESSION

H. R. 12360

[Report No. 1974]

# A BILL

To amend the Agricultural Act of 1949 to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations.

By Mr. GREIG

JANUARY 27, 1966

Referred to the Committee on Agriculture

SEPTEMBER 1, 1966

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed







# DIGEST of Congressional Proceedings

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U.S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
FOR INFORMATION ONLY;  
NOT TO BE QUOTED OR CITED)

Issued Sept. 20, 1966  
For actions of Sept. 19, 1966  
89th-2nd; No. 158

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### HOUSE

1. FOOD FOR FREEDOM; CHILD NUTRITION. The conferees on H. R. 14929, the food-for-freedom bill, and S. 3467, the child-nutrition bill, agreed to file conference reports. p. D891
2. RESEARCH. Passed without amendment S. 3421, to authorize the Secretary of Agriculture to convey the Alaska Experiment Station to Alaska. This bill will now be sent to the President. p. 21955
3. SEEDS. Passed under suspension of the rules H. R. 15662, to revise and update the Federal Seed Act. pp. 22032-4
4. FOREIGN AID APPROPRIATION BILL. The Appropriations Committee reported this bill, H. R. 17788 (H. Rept. 2045). p. 22078

5. LOANS. The Agriculture Committee reported H. R. 13669, to authorize rural-renewal loans for recreation and to non-profit corporations (H. Rept. 2046). p. 22078
6. WATER. Passed as reported S. 2287, to authorize a 5-year hydrologic study and investigation of the Delmarva Peninsula. pp. 21952-3  
Rejected (161-154, a 2/3 majority being needed) a motion to suspend the rules and pass S. J. Res. 167, to enable the U. S. to organize and hold an International Conference on Water for Peace in the U. S. in 1967. pp. 22013-17
7. TRAINING. Passed on suspension of the rules H. R. 16715, to broaden and increase the flexibility under the Manpower Development and Training Act. pp. 22000-13
8. FISH AND WILDLIFE. Conferees were appointed on H. R. 9424, to provide for conservation, protection, and propagation of native species of fish and wildlife, including migratory birds, that are threatened with extinction, and to consolidate Interior's authorities for administration of the National Wildlife Refuge System. Senate conferees have not been appointed. p. 22022
9. POLITICAL ACTIVITY. Passed under suspension of the rules S. 1474, to create a bipartisan commission to study Federal laws limiting political activity by Government personnel. pp. 22025-7
10. HISTORIC SITES. Rejected (41-31, a 2/3 majority being needed) a motion to suspend the rules and pass S. 3035, to establish a program for preservation of additional historic properties throughout the Nation. pp. 22027-31
11. INTEREST RATES. Rep. Patman deplored the effect of increases on housing and education. pp. 22034-8
12. FOREIGN TRADE. Rep. Curtis objected to the position of the European Economic Community in trade negotiations regarding farm products and inserted the views of the American Farm Bureau Federation and a Belgian industrialist. pp. 22046-7
13. FARM PROGRAM; APPROPRIATIONS. Rep. Ashbrook accused this Department of wasting money and inserted an article on the subject. p. 22047
14. TENNESSEE VALLEY AUTHORITY. Rep. Ottinger said the proposed Tellico Dam project is not needed. pp. 22057-8
15. BUILDINGS. Received from the General Services Administration a proposed bill "to amend the Public Buildings Act of 1950, as amended." To Public Works Committee. p. 22078
16. PASSED OVER H. R. 4497, to require certain contractors with the U. S. to give an affidavit on payment of subcontractors; H. R. 12360, to permit the sale of grain storage facilities to nonprofit agencies; H. R. 4429, to reimburse Wyo. for certain improvements on Eden project lands; and H. R. 9147, to reduce the frequency of meetings of the national research advisory committee. p. 21955
17. LEGISLATIVE PROGRAM. Today the House is expected to consider the Private Calendar and the foreign aid appropriation bill. p. D890



opportunity of selling their property and moving to an entirely different location. These are extremely difficult to evaluate.

Mr. Speaker, I think it is apparent from this testimony that the Corps of Engineers did not oppose the bill in its entirety—but, in fact, agreed that the city suffered an unusual loss for which the Government was unable to make payment under existing authority. In his report on H.R. 6103, the Secretary of Army suggested guidelines for determining the extent of compensation that would be equitable, and the committee accepted those guidelines in establishing the amount of \$50,000. This is the amount that would now be authorized by the amended H.R. 6103.

I hope this will clarify the stated position of the Corps of Engineers and the Department of the Army, and I hope the House will see fit to approve this measure of justice for a small community that suffered serious economic consequences as a result of a Federal project.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

(Mr. ULLMAN asked and was given permission to revise and extend his remarks.)

#### TO AMEND THE ACT OF AUGUST 24, 1935, TO REQUIRE CERTAIN CONTRACTORS WITH THE UNITED STATES TO GIVE AN AFFIDAVIT WITH RESPECT TO PAYMENT OF SUBCONTRACTORS

The Clerk called the bill (H.R. 4497) to amend the act of August 24, 1935, to require certain contractors with the United States to give an affidavit with respect to payment of subcontractors.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. PELLY. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

#### EXECUTIVE POSITIONS IN THE SMITHSONIAN INSTITUTION

The Clerk called the bill (H.R. 15727) to establish rates of compensation for certain positions within the Smithsonian Institution.

There being no objection, the Clerk read the bill, as follows:

H.R. 15727

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be known as the "Smithsonian Institution Executive Salary Act".*

SEC. 2. (a) The rate of compensation for the following positions within the Smithsonian Institution shall be the rate provided for level IV of the Federal Executive Salary Schedule under section 303(d) of the Federal Executive Salary Act of 1964:

- (1) Assistant Secretary for Science; and
- (2) Assistant Secretary for History and Art.

(b) The rate of compensation for the following positions within the Smithsonian Institution shall be the rate provided for level

V of the Federal Executive Salary Schedule under section 303(e) of the Federal Executive Salary Act of 1964:

- (1) Director, United States National Museum; and
- (2) Director, Smithsonian Astrophysical Observatory.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### SALE OF GRAIN STORAGE FACILITIES

The Clerk called the bill (H.R. 12360) to amend the Agricultural Act of 1949 to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations.

Mr. HALL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

#### ALASKA EXPERIMENT STATION

The Clerk called the bill (S. 3421) to authorize the Secretary of Agriculture to convey certain lands and improvements thereon to the University of Alaska.

There being no objection, the Clerk read the bill, as follows:

S. 3421

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provisions of law, the Secretary of Agriculture is authorized to determine and to convey by quitclaim deed and without consideration to the University of Alaska for public purposes all the right, title, and interest of the United States in and to the lands of the Alaska Agricultural Experiment Station, including improvements thereon, and such personal property as may be designated, located at Palmer and Matanuska, Alaska.*

The bill was ordered to be read the third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### REIMBURSEMENT OF THE STATE OF WYOMING

The Clerk called the bill (H.R. 4429) to provide for reimbursement to the State of Wyoming for improvements made on certain lands in Sweetwater County, Wyo., if and when such lands revert to the United States.

Mr. HALL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

#### PROVIDING FOR ANNUAL, INSTEAD OF QUARTERLY, MEETINGS OF A NATIONAL ADVISORY COMMITTEE

The Clerk called the bill (H.R. 9147) to amend section 301 of title III of the

act of August 14, 1946, relating to the establishment by the Secretary of Agriculture of a national advisory committee, to provide for annual meetings of such committee.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I should like to ask someone why the advisory committee is not just abolished outright, instead of limiting the meetings of the advisory committee to once a year instead of quarterly?

Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

#### AUDIT OF DISABLED AMERICAN VETERANS ACCOUNTS

The Clerk called the bill (H.R. 15358) to amend the act incorporating the Disabled American Veterans so as to provide for an annual audit of their accounts.

There being no objection, the Clerk read the bill, as follows:

H.R. 15358

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 9 of the Act of June 17, 1932, as amended (36 U.S.C. 901), is amended by adding at the end thereof the following:*

"(b) (1) The said corporation shall as soon as practicable after the close of each of its fiscal years make and transmit to the Comptroller General a report of its proceedings for the preceding fiscal year, including a full, complete, and itemized report of receipts and expenditures of whatever kind, which report shall be duly audited by the Comptroller General.

"(2) The said corporation shall annually reimburse the Comptroller General for auditing its accounts, and the sums so paid shall be covered into the Treasury of the United States as miscellaneous receipts."

SEC. 2. The amendment made by this Act shall be effective with respect to each fiscal year of the Disabled American Veterans beginning after the date of enactment of this Act.

With the following committee amendment:

On page 1, line 4, after "is amended by" insert "(1) inserting '(a)' immediately after 'Sec. 9' and (2).

The committee amendment was agreed to.

Mr. TEAGUE of Texas. Mr. Speaker, this bill, which was introduced at the request of the Disabled American Veterans, would amend the act incorporating that organization by providing that the Disabled American Veterans shall transmit each year after the close of each of its fiscal years a report of its proceedings including a full, complete, and itemized report of receipts and expenditures of whatever nature to the Comptroller General of the United States who shall audit such report.

The Disabled American Veterans shall reimburse the Comptroller General for auditing this report.

While not specified in this bill, the Comptroller General would make avail-



able the results of his audit to the Congress in accordance with existing law.

There would be no cost to the Government as a result of this legislation.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### ESTABLISHING THE PAST AND PRESENT LOCATION OF A CERTAIN PORTION OF THE COLORADO RIVER FOR CERTAIN PURPOSES

The Clerk called the bill (H.R. 13955) to authorize the Secretary of the Interior to grant patents to certain lands under the provisions of the Color of Title Act.

There being no objection, the Clerk read the bill, as follows:

H.R. 13955

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, upon application at any time within one year after the date of enactment of this Act, the Secretary of the Interior shall issue a patent for any lands in the Palo Verde Irrigation District (as determined by such district from its records), under the provisions of the Act entitled "An Act to authorize the Secretary of the Interior to issue patents for lands held under color of title", approved December 22, 1928, as amended (43 U.S.C. 1068-1068b), upon a finding that the applicant has met the requirements of said "Color of Title Act" (43 U.S.C. 1068-1068b): Provided, however, That the Secretary shall not deny such applications on the grounds that (1) any claim by the Department of the Interior that such lands have been withdrawn for reclamation or other purposes, and (2) the fact that the predecessor in interest of any such applicant may have held such land as part of a tract in excess of one hundred and sixty acres: Provided, That nothing herein contained shall be construed to enlarge upon, diminish, or otherwise modify the rights of the Palo Verde Irrigation District in and to the waters of the Colorado River as set forth in that certain contract between the United States and the Palo Verde Irrigation District dated February 7, 1933.*

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That for the purpose of establishing any right, title, or interest of the United States in or to lands in the Palo Verde Irrigation District, in Riverside County, California, south of Ehrenberg Bridge, the location of the Colorado River as set forth between points 13 and 13.20 in the "Interstate Compact Defining the Boundary between the States of Arizona and California" (Statutes of California, 1963, chapter 959; Arizona Laws, 1963, chapter 77) and depicted in exhibit A thereto, is hereby recognized as the present location of such river and all changes in the course of the river prior to the effective date of this Act shall be conclusively presumed to be accretive changes."

The committee amendment was agreed to.

(Mr. SAYLOR asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SAYLOR. Mr. Speaker, I rise in support of H.R. 13955, a bill to authorize the Secretary of the Interior to grant patents to certain lands under the provisions of the Color of Title Act.

The purpose of this legislation is to determine the right, title and interest of the United States in and to certain lands in Riverside, Calif.

Prior to 1935, the lower Colorado River was a constantly shifting stream resulting in very substantial changes in the channel. A dispute has existed since 1962 between the Department of the Interior and persons claiming ownership of some 2,100 acres lying along the west bank of the Colorado River in California. The question involved is whether or not these changes were caused by accretion or avulsion.

Detailed records of the river's location were not kept making it impossible to say with any certainty the exact location of the boundary between Arizona and California. The interstate compact between the two States has fixed the boundary and midchannel. The Committee on Interior and Insular Affairs is of the same accord and believes that adoption of the midchannel line for purposes of property ownership between the private claimants and the United States is a proper and fair solution under the circumstances.

This solution of the dispute is justifiable. The committee felt in view of the facts that no claim on these lands were made by the United States until 1962. Up until such time the claimants had exercised quiet and peaceable possession of these lands for more than 40 years. They or their predecessors had paid real estate taxes on these lands for over 20 years to the county of Riverside, Calif., and expended more than \$1,500,000 to make otherwise wasteland capable of production.

Mr. Speaker, in view of these circumstances and the long period of inaction by the Federal Government in contesting these claims of ownership, the bill H.R. 13955 is a fair and equitable solution to the dispute.

I urge the passage of H.R. 13955.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to establish the past and present location of a certain portion of the Colorado River for certain purposes."

A motion to reconsider was laid on the table.

#### REPEALING THE "COOLY TRADE" LAWS

The Clerk called the bill (H.R. 825) to repeal the "cooly trade" laws.

There being no objection, the Clerk read the bill, as follows:

H.R. 825

Whereas the Congress of 1862 enacted so-called "cooly trade" legislation prohibiting certain activity involving the procuring, transportation, disposition, sale, or transfer of persons who are subjects of China, Japan, or of any other oriental country, as servants or apprentices, or to be held to service or labor; and

Whereas the circumstances which prompted the "cooly trade" legislation have long since ceased to be prevalent, and changed social, economic, and political conditions here and abroad have rendered that legislation archaic and anachronistic; and

Whereas the continued existence of the

"cooly trade" laws is inconsistent with later policies of the Congress under which other statutes singling out oriental peoples have been repealed or modified; and

Whereas the continued existence of the term "cooly" in the laws of the United States is an unnecessary and disparaging reminder of a past historical period which may cause misunderstanding as to the present relationships between the people of the United States and the peoples of oriental countries: Now, therefore,

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 2158-2163, Revised Statutes, and sections 1, 2, and 4 of the Act of March 3, 1875 (ch. 141, 18 Stat. 477) (8 U.S. Code 331-339), are hereby repealed.*

Mr. MATSUNAGA. Mr. Speaker, I rise in support of H.R. 825, a bill to repeal the "cooly trade" laws. I introduced this legislation, the enactment of which is long overdue.

The so-called cooly trade laws were enacted by Congress in 1862 and 1875 to correct the then widespread practice of exploiting persons of oriental descent, particularly Chinese and Japanese, in connection with their procurement abroad for importation into the United States to be held in service as servants or apprentices. Criminal sanctions were imposed on those who were found guilty of such practice. These laws have remained in our statute books to this day.

However commendable they may have been at one time, these laws are obsolete and, for all practical purposes, are of no effect under today's enlightened social, economic and political conditions. In addition, the word "cooly" carries an unfortunate connotation in the Far East, a fact which it would appear we are deliberately ignoring as we perpetuate these laws in our statute books.

The State of Hawaii, because of its proximity to the Far East and its large population of Asian descent, is perhaps more sensitive than any other area of the country to the situation which exists as a result of these laws. Enactment of H.R. 825 would remove a possible source of public misunderstanding and promote better relations between the United States and Asian countries.

Mr. Speaker, I urge a unanimous vote in favor of the bill now on the floor.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### AMENDING THE JUDICIAL CODE TO PERMIT INDIAN TRIBES TO MAINTAIN CIVIL ACTIONS IN FEDERAL DISTRICT COURTS WITHOUT REGARD TO THE \$10,000 LIMITATION, AND FOR OTHER PURPOSES

The Clerk called the bill (S. 1356) to amend the Judicial Code to permit Indian tribes to maintain civil actions in Federal district courts without regard to the \$10,000 limitation, and for other purposes.

Mr. HALL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.







Oct. 3, 1966

16. TRANSPORTATION. Sen. Pell inserted the first report on the High Speed Ground Transportation Act of 1965, which has just been released by the Commerce Dept. pp. 23840-44
- HOUSE
17. PACKAGING AND LABELING. Passed under suspension of the rules S. 985, to regulate interstate and foreign commerce by preventing the use of unfair or deceptive methods of packaging and labeling of certain consumer commodities distributed in such commerce. A similar bill, H. R. 15440 was tabled. pp. 23856-71, 23967
  18. GRAIN STORAGE. Passed under suspension of the rules H. R. 12360, to amend the Agricultural Act of 1949 to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations. pp. 23894-6
  19. FISH PROTEIN. Passed S. 2720, to authorize the Interior Department to develop practicable and economic means for production by the commercial fishing industry of fish protein concentrate, with an amendment to substitute the language of a similar bill, H. R. 14699, which was passed earlier as reported. H. R. 14699 was tabled. pp. 23910-4
  20. CHILD SAFETY. Passed under suspension of the rules S. 3298, to amend the Federal Hazardous Substances Labeling Act to ban hazardous toys and articles intended for children, and other articles so hazardous as to be dangerous in the household regardless of labeling, and to apply to unpackaged articles intended for household use (pp. 23922-4). This bill was reported with amendments on Oct. 1 during adjournment (H. Rept. 2166)(p. 23974).
  21. ANIMAL DRUGS. Passed under suspension of the rules H. R. 16474, to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to consolidate certain provisions assuring the safety and effectiveness of new animal drugs (pp. 23929-34). This bill was reported with amendments on Oct. 1 during adjournment (H. Rept. 2168)(p. 23974).
  22. VETERINARY FACILITIES. Passed under suspension of the rules H. R. 3348, to authorize a three-year program of grants for construction of veterinary medical education facilities (pp. 23928-29). This bill was reported with amendments on Oct. 1 during adjournment (H. Rept. 2167)(p. 23974).
  23. AIR POLLUTION. Passed under suspension of the rules S. 3112, the Clean Air Act amendments (pp. 23873-76). This bill was reported with amendments on Oct. 1 during adjournment (H. Rept. 2170)(p. 23974).
  24. TAXATION. Reported with amendment H. R. 6413, to provide for the withdrawal of wine from bonded wine cellars without payment of tax, when rendered unfit for beverage use (H. Rept. 2173). p. 23974  
out
  25. AWARDS. Passed with/amendment S. 2463, to provide a uniform set of standards and procedures for the acceptance of gifts and decorations offered by foreign governments to persons employed by the U. S. Government. This bill will now be sent to the President. p. 23848
  26. HOLIDAYS. Passed without amendment H. R. 15699, to establish a Commission on National Observances and Holidays to consider proposals for such occasions and make recommendations to the President. pp. 23849-50

27. RESEARCH. Passed as reported S. 1674, to authorize the Secretary of the Interior to make disposition of geothermal steam and associated geothermal resources. pp. 23850-4  
Passed as reported S. 3460, to authorize the Secretary of the Interior to enter into contracts for scientific and technological research. pp. 23899-900
28. RECREATION. Passed under suspension of the rules S. 1607, to establish the Point Reyes National Seashore in Calif. pp. 23897-9  
Began consideration of H. R. 13447, to authorize the Secretary of the Interior in cooperation with the States to preserve, protect, develop, restore, and make accessible estuarine areas of the Nation which are valuable for sport and commercial fishing, wildlife conservation, recreation, and scenic beauty. pp. 23903-10
29. CONTRACTORS. Passed under suspension of the rules H. R. 4497, to require certain contractors with the U. S. to give an affidavit with respect to payment of subcontractors. pp. 23889-94
30. ELECTRIFICATION; SALT WATER. Passed under suspension of the rules S. 3807, to authorize the Atomic Energy Commission to enter into a cooperative arrangement for a large-scale combination nuclear-power and water-desalting project. A similar bill, H. R. 17558, was tabled. pp. 23876-80
31. INTERGOVERNMENTAL RELATIONS. Passed as reported H. R. 15335, to amend the act to establish an Advisory Commission on Intergovernmental Relations. pp. 23900-2
32. JELLYFISH. Passed as reported H. R. 11475, to provide for the control or elimination of jellyfish and other such pests in the coastal waters of the U. S. pp. 23902-3
33. TRADE NEGOTIATIONS. Rep. Nelsen urged that this Department "insist on fair treatment for American farmers" at the Geneva trade talks and that farmers be "kept abreast of negotiations developments." p. 23949
34. COMMUNITY DEVELOPMENT. Rep. Evins, Tenn., spoke in support of the community development districts bill. pp. 23955-9
35. WATER POLLUTION. Rep. Helstoski spoke in support of the proposed Water Pollution Control Act and inserted an editorial, "The Next Long Step Against Pollution." pp. 23968-9

ITEMS IN APPENDIX

36. TAXATION. Speech in the House by Rep. Vanik in support of the investment credit bill. p. A5071
37. PERSONNEL CEILINGS. Extension of remarks of Rep. Henderson stating that the "number of civilian employees on the Federal payroll has been rising each month for more than five years" and inserting his letter to the Budget Bureau concurring in their directive to hold down employment. p. A5073
38. POVERTY. Speech in the House by Rep. Vivian favoring poverty programs which are of benefit to migratory workers. pp. A5075-6  
Speech in the House by Rep. Philbin urging that efforts be made to spend available poverty funds wisely. p. A5095  
Rep. Feighan inserted an article critical of the "lax" administration of the community action programs. pp. A5095-6



imously. The report bears the name of our distinguished colleague from Illinois [Mr. McCleary], and it went unanimously, I think, through the full committee. Hearings were held at considerably different times. One was taken up in February, in which it appears to me from the testimony that all members of the committee were present. There was a subsequent set of hearings held on July 20, all concerning this same problem.

To get away from the specifics of it, and look at the general area of this problem, we have a situation where if we have a subcontract for under \$2,000, and that is the problem with which we seek to deal. If that subcontractor is working for a private owner, and he performs work, or furnishes material, he has a lien, there is some means of protection in that case. If he is working for the U.S. Government he does not get that protection. He has no lien in such cases.

Now, if he is a major contractor, and has a contract that is over \$2,000, he is already protected by the Miller Act. He has a bond to which he can turn. But if he is a subcontractor under \$2,000 and he is dealing with the U.S. Government, then you get less protection that you can get anywhere in the construction business. And those small subcontractors are the people who are probably least able to afford long waits for their money along with other attendant difficulties.

We discussed whether this should pass under these particular rules, and the amount of discussion or consideration given the matter.

The gentleman from Missouri [Mr. ICHORD] is the author of this bill. It was introduced on February 8, 1965. I do not know whether this is a consequence of that or not, but on November 4, 1965, the GSA issued regulations which are largely similar to some of the contents of this bill. I can assure you they adopted those regulations without any congressional discussion of 40 minutes or 4 minutes, for that matter, and they may change them with the same amount of discussion or consideration.

We thought—or I thought we thought in the committee—that it was well that the Congress take action like this in this field, action that could not be suddenly and arbitrarily changed through some simple administrative regulation, the committee recognizing the need for this legislation.

Along with the testimony we took, the early testimony in February and later testimony in July, we had men from the contracting plasterers and lathers' international organization and the Metropolitan Subcontractors Association who testified of the need for this bill.

I do not see why there should be and I would hope that there would not be thousands of these cases. If so, it must mean that there are thousands of cases in which small business contractors have to struggle for their money. And if so, I think that even more strongly emphasizes the need to pass legislation of this nature.

Mr. HUTCHINSON. Mr. Speaker, will the gentleman yield?

Mr. HUNGATE. I yield to the gentleman.

Mr. HUTCHINSON. The gentleman a minute ago said that we were concerned with a small contractor who had under the law no protection when he was dealing with the U.S. Government. I think I have said pretty correctly what the gentleman said. But actually that is not the situation as I understand it. The man who is dealing with the U.S. Government is the prime contractor even if he has a contract for \$50, and he is protected because he is dealing directly with the Government. The Government is going to pay its debts.

The man that we are concerned with is a subcontractor and there is no privity of contract between the subcontractor and the U.S. Government at all, and when you say that this subcontractor is dealing with the U.S. Government I say that he is not.

Mr. HUNGATE. Oh, I think that is right—any lawyer would understand that there is no privity here. But it would be pretty hard for a guy down there laying brick, or furnishing material and not getting paid, to understand the situation about there not being any privity of contract if he is working on a Federal building.

The privity of contract doctrine is one which, since the McPherson against Buick case some time ago has not enjoyed the greatest repute, but has been rather reduced in importance and eroded in our society in recognition of the greater responsibility of those who receive the ultimate benefit from the sale of the product or from its use.

I reiterate that the workman, and the small subcontractor who put material into a Federal building, has no lien and no bond to protect him. I think perhaps that that states it more precisely. When they put that labor or material in a Federal building, although they are working for a general contractor, they have no lien and there is no bond giving them protection.

If you are building a private building or a private apartment house and you are working under a general contractor, this is the way it usually happens in business, and it is not peculiar to governmental construction, the subcontractor does not have privity of contract with the owner. What privity of contract he has, he has with the general contractor.

In building a private apartment building that would be the case.

But when you take him over and he puts material and labor of less than \$2,000 value into a Federal building, his lien right is gone under \$2,000 and so is his protection from any bond.

Mr. ICHORD. Mr. Speaker, will the gentleman yield?

Mr. HUNGATE. I yield to the gentleman.

Mr. ICHORD. My colleague, the gentleman from Missouri [Mr. HUNGATE], has answered the question that I intended to ask. And putting additional emphasis on this, if that subcontractor which the gentleman from Michigan is talking about, had been building and constructing a building for the gentle-

man from Michigan, he would have protection—he would have the protection of a lien.

But in the case involving the Federal Government he does not have any protection, and that is the protection of a lien which is the protection that the gentleman from Missouri was talking about.

Mr. HUNGATE. That would be correct.

Mr. ICHORD. I would like to ask the gentleman from Missouri this question. Some question has been raised about the allegation that this bill might interfere with the privity of contract.

Is it not true that it is not the intention of this bill to interfere at all with the contract between the subcontractor and the contractor? That is, suppose there is a dispute between the prime contractor and a subcontractor as to the amount owing. Could not the prime contractor file an affidavit to the extent that he has paid the subcontractor the amount he determined to be owing and thus satisfy the requirements of filing the affidavit under this bill?

Mr. HUNGATE. As I read the bill, that would be a correct interpretation.

Mr. ICHORD. Certainly there would be no interference with privity of contract.

Mr. HUNGATE. The gentleman by implication raises another interesting question. Under the present status of our law, if there is a dispute between the subcontractor and the contractor—and let us not decide here who is right and who is wrong—but there is a dispute, it is perfectly all right for the contractor to get his money. It is just not right for the subcontractor to get his money. Under this bill we would propose that when there is such a dispute on a \$1,500 subcontract for example, the general contractor and the subcontractor might agree that \$1,000 was owing, and dispute as to whether the entire \$1,500 was owing. The affidavit and payment could be made as to the \$1,000, and the private parties could continue their litigation as to the \$500 difference between them.

I yield the rest of my time back to the gentleman from South Carolina.

Mr. ASHMORE. Mr. Speaker, in closing, I will merely say is that I hope we shall not forget that the Government has received the benefit of the work and the material as provided in the contract, and it would not cost the Government any more under those circumstances than it would cost if all the money was paid to the prime contractor and then he was entrusted to pay the amount due to the subcontractor. We are just trying to see that the small man gets his share of what the agreements calls for after the Government has received full benefit under the contract.

Mr. BINGHAM. Mr. Speaker, after listening to the debate on this bill and after studying the committee report, I am constrained to oppose suspension of the rules in this case.

I am concerned that, if enacted into law, this bill would involve the Government in many petty disputes with contractors and subcontractors and would



merely require additional administrative personnel and additional expense.

I am also concerned that the bill might work a hardship on small business concerns, in that it would make progress payments during the performance of the contracts impossible.

Although I tried during the debate to find out from members of the committee what would happen if the prime contractor claimed that he owed the subcontractor nothing because of a prior indebtedness to the prime contractor by the subcontractor, I was unable to obtain a satisfactory answer.

I realize that there is a very real problem here, which the bill is intended to solve, and I hope that the various agencies which have opposed this bill will, if the bill is not enacted into law this session, come up with a substitute.

The SPEAKER pro tempore. The question is on the motion of the gentleman from South Carolina [Mr. ASHMORE] that the House suspend the rules and pass the bill H.R. 4497, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE TO EXTEND

Mr. ICHORD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

#### SALE OF GRAIN STORAGE FACILITIES

Mr. GATHINGS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12360) to amend the Agricultural Act of 1949 to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations.

The Clerk read as follows:

H.R. 12360

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4(h) of the Commodity Credit Corporation Charter Act, as amended, is amended by inserting before the period at the end thereof the following: " Provided, That, notwithstanding any other provision of law, where a grain storage facility owned by the Corporation is not needed by the Corporation and, upon being offered for sale no person offers to pay the minimum price set by the Corporation for such facility for use in connection with storage or handling of agricultural commodities, then the Corporation may, without declaring such facility to be excess property, sell it by bids at not less than such minimum price to any public or private nonprofit agency or organization for use for the purposes of such agency or organization. This provision shall apply also to facilities which on the effective date of this Act have been declared excess to the needs of the Commodity Credit Corporation but have not been claimed by any other Government agency, or surplus to the needs of the Government but*

*not disposed of pursuant to the provisions of the Federal Property and Administrative Services Act of 1949, as amended.*

The SPEAKER pro tempore. Is a second demanded?

Mr. DAGUE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

The gentleman from Arkansas [Mr. GATHINGS] will be recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. DAGUE] will be recognized for 20 minutes.

Mr. GATHINGS. Mr. Speaker, this bill would permit the sale by the Commodity Credit Corporation, for a minimum price as set by that agency, of grain storage facilities to nonprofit public and private organizations or groups.

This legislation was before the Subcommittee on Domestic Marketing and Consumer Relations headed by the gentleman from Hawaii [Mr. MATSUNAGA].

The bill was introduced by the gentleman from Iowa [Mr. GREIGG] because it posed a problem that was a most significant one in the Midwest. There is only a very small percentage of the overall surplus storage facilities that would be covered by the legislation introduced by the gentleman from Iowa. The Department of Agriculture or farmers and farm groups as well as other governmental agencies have been acquiring these grain bins. The local people want authority to utilize the larger sized grain bins for school or nonprofit group needs rather than have them sold to outside interests through General Services Administration.

Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GREIGG].

(Mr. GREIGG asked and was given permission to revise and extend his remarks.)

Mr. GREIGG. Mr. Speaker, I thank the very distinguished gentleman from Arkansas for yielding to me.

I very much appreciate this opportunity to present my views on H.R. 12360. H.R. 12360 would make it possible to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations. A great number of these storage facilities have become available in the Midwest as a result of substantial reductions in surpluses which posed a severe problem in the late 1950's and early 1960's. H.R. 12360 would not alter the law which allows farmers to buy the units for farm use—it would only pertain to those CCC buildings which still remain available after farm producers have had every opportunity to purchase them. As a result, no present policy or use by the Agricultural Department, or the entire structure of the farm producer would be affected. The point at which disposal would take place under H.R. 12360 is just prior to the jurisdictional declaration by the Corporation that "these units are excess to CCC needs." This determination, if made by the Corporation, automatically causes the units to come under General Services Administration jurisdiction and they then follow the regular disposal

system set up under the Federal Property and Administrative Services Act.

A distinction can be made at the outset as to the type of building H.R. 12360 would, as a practicable matter, make available to public and nonprofit private agencies. Generally, there are two basic types—one, the familiar single purpose circular metal building and, second, what is commonly known as the multipurpose quonset type. In regard to the former, little real use can be foreseen except for grain storage. The latter is a very different matter, however. The multipurpose quonset type is generally 40 feet wide by 100 feet long. These buildings are generally in place on leased ground with substantial concrete foundations. They can be found in most areas throughout the Midwest. More than 90 percent of the available facilities have been purchased by farm producers. Still the problem remains. These remaining structures are greatly desired by local citizens for use in the variety of local public and quasi-public needs. Some are on the property of the county fair board, and can be an integral part of the fair facilities; some are near the consolidated schools in need of garage space for their buses; some are adjacent to industrial parks, in which there is substantial demand for storage facilities of this type. These people cannot, under present law, bid for or purchase these structures even when they are permanently placed on their own ground and surplus to any USDA need. Present law declares that a purchaser must sign the following statement:

This is to certify that the structures or equipment identified above purchased by the undersigned from Commodity Credit Corporation, U.S. Department of Agriculture, will be used in connection with the storage or handling of agricultural commodities.

H.R. 12360 is short and to the point:

Where a grain storage facility is not needed by the corporation and upon being offered for sale no person offers to pay the minimum price set by the corporation for such facility for use in connection with storage or handling of agricultural commodities, then the corporation may, without declaring such facility to be excess property, sell it to any public or private nonprofit agency or organization for use for the purposes of such agency or organization.

Many times, it is most important, in my own mind, to know what a certain bill will not do as well as what it will do. This bill will not affect anyone in the USDA; it will not affect anyone in the entire range of farm productivity. But, it will answer a definite need for a great number of farm communities.

The alternative is that these buildings will be diluted into the Federal system. There will be no cost recovery, there will be additional expense to uproot the foundation as per the Government lease requirement. But most important, you will have a fine group of public spirited citizens who simply will not accept the logic of seeing these rural-related buildings being carried away.

It is not intended nor will it be possible for the local public or nonprofit agency to



use these facilities for grain storage in competition with private individuals.

I will point out to the House this measure passed in the Subcommittee on Domestic Marketing and Consumer Relations under the distinguished leadership of the Congressman from Hawaii [Mr. MATSUNAGA], and passed unanimously both in the subcommittee and the full committee.

Mr. DAGUE. Mr. Speaker, this bill, as has been reported by the gentleman from Arkansas [Mr. GATHINGS], encountered no opposition in the Committee on Agriculture. It seems to me the public interest is well protected, whether by the Commodity Credit Corporation or the General Services Administration. The ultimate disposal of this property will make it available to public and private nonprofit organizations.

Mr. HALL. Mr. Speaker, will the gentleman yield?

Mr. DAGUE. I yield to the gentleman from Missouri.

Mr. HALL. I appreciate the gentleman yielding.

I simply have a question or two to ask about this bill. It is my understanding that these surplus storage bins, whether they are quonset type or the usual round type in which we store corn or any of our surplus grains and feeds and so forth, now owned by the Government, either on leased land or on purchased land, such as the gentleman from Iowa [Mr. GREIGG] indicated, could be disposed of in one of two ways: Primarily, through the Commodity Credit Corporation Charter Act which, as amended, this bill would amend; or, lacking that, through the regular Surplus Commodity Distribution Act under the General Services Administration. My first question is simply this: Is not adequate means provided through the regular General Services Administration distribution plans which establish priorities at the Federal level and State level and eleemosynary institutions, and so forth, and finally down to the highest private bidder—is that not adequate to handle this situation? If so, why do we need additional legislation?

Mr. DAGUE. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa [Mr. GREIGG] for the purpose of responding to the inquiry of the gentleman from Missouri.

Mr. GREIGG. I thank the gentleman from Pennsylvania for yielding this time.

To the gentleman from Missouri I will just point out if this provision is not allowed, then local communities are not in a position to have these facilities for use within the local communities. Once they are available to farmers and farmers fail to take advantage of them, they are turned over to the General Services Administration. The procedure that is followed then is they are offered to other Federal agencies and State agencies and finally go down to local communities, which never happens, because the Federal agencies and State organizations immediately swallow them up. The point I am making is that in these small communities this involves a tremendous cost to the taxpayer to see these quonsets dismantled and moved to other parts of the country at considerable expense to the

Federal agencies, whereas by remaining on the local community level they could do so much to attract industrial growth and would be a substantial boost to rural America.

Mr. HALL. If the gentleman will yield further, and I can continue to query the gentleman from Iowa or the distinguished gentleman from Arkansas [Mr. GATHINGS] as I understand it, this simply interjects an additional category under the Commodity Credit Corporation Charter Act which would allow it to be used by the local community and/or individuals before it reverts to the General Services Administration for the usual method of distribution. Is that correct?

Mr. GREIGG. That is correct.

Mr. HALL. Would the gentleman say further that that is why the amendment was written into the bill amending the Commodity Credit Corporation Charter Act instead of section 404 of the Agriculture Act of 1949, paragraph 4(h)?

Mr. GREIGG. That is correct.

Mr. HALL. Mr. Speaker, would the gentleman tell me if the Commodity Credit Corporation Charter Act is under the jurisdiction or surveillance or oversight of the House Committee on Agriculture, or is it under the supervision or surveillance or oversight or review of the Committee on Banking and Currency?

Mr. GREIGG. Mr. Speaker, will the gentleman yield further?

Mr. HALL. I yield further to the gentleman from Iowa.

Mr. GREIGG. Mr. Speaker, the gentleman from Missouri is correct insofar as the Committee on Banking and Currency is concerned. However, when this measure was brought to the Committee on Agriculture, it was first considered to be a part of the Agricultural Act.

After lengthy hearings were held, it was determined that we should go in this direction and all people who were interested or concerned were invited to testify. We had to testify representatives of the Department of Agriculture and GSA. The General Services Administration declined to testify at that time but stated that, at that time, they did not have any objection to it.

Mr. HALL. Mr. Speaker, does the gentleman from Iowa know if those hearings are available on the floor of the House, the extensive hearings to which the gentleman has referred, and have they been printed, and do the Members have them available for this debate and discussion?

Mr. GREIGG. Mr. Speaker, if the gentleman will yield further, it is my understanding that they do have them available to the Members of the House.

Mr. GATHINGS. Mr. Speaker, will the gentleman yield?

Mr. HALL. I yield to the gentleman from Arkansas.

Mr. GATHINGS. Mr. Speaker, I understand from the subcommittee chairman, the gentleman from Hawaii [Mr. MATSUNAGA], that hearings are available.

Mr. MATSUNAGA. Mr. Speaker, will the gentleman yield?

Mr. HALL. I yield to the gentleman from Hawaii.

Mr. MATSUNAGA. Yes; copies of the hearings are available, and they have

been available for quite some time. I regret that the gentleman from Missouri was not able to obtain a copy thereof.

Mr. HALL. Mr. Speaker, I do not have such a copy of the hearings although I have attempted to obtain one since this legislation first came up for consideration on the Consent Calendar. I have still not been able to obtain one.

Mr. GREIGG. Mr. Speaker, will the gentleman yield further?

Mr. HALL. I yield further to the gentleman from Iowa.

Mr. GREIGG. At the time that this bill first appeared on the Consent Calendar, as the gentleman from Missouri knows, I wrote to the gentleman a letter explaining the background of the legislation, and in that letter I did suggest to the gentleman that should he have any additional questions, if he would contact me, I should be happy to undertake to obtain the answers thereto.

However, Mr. Speaker, this is the first time that I have heard that the gentleman has been unable to obtain any materials or information in which the gentleman was interested.

Mr. HALL. Mr. Speaker, I would like to ask the gentleman from Iowa [Mr. GREIGG] if this legislation has been cleared with the Committee on Banking and Currency, inasmuch as that committee has surveillance and oversight over the CCC Charter Act?

Mr. GREIGG. Mr. Speaker, I would refer this question to the chairman of the subcommittee, the gentleman from Hawaii [Mr. MATSUNAGA].

Mr. MATSUNAGA. Mr. Speaker, will the gentleman yield?

Mr. HALL. I yield to the gentleman from Hawaii.

Mr. MATSUNAGA. Mr. Speaker, there was no objection raised by any of the agencies involved, as they felt this legislation was necessary.

Mr. HALL. Mr. Speaker, I submit that this is a question as to whether or not we are going to yield to the executive agency or agencies of the executive branch a legislative prerogative or we shall continue to hold ourselves out as the legislative body having jurisdiction and legislative oversight over the executive branch agencies that are supposed to implement the legislation that we pass.

Mr. Speaker, I would hope that in the future, where an amendment is made on a bill like this, legislation which affects the orderly distribution of surplus property, we may consider that program in full and may hear from representatives of the agency involved. I fear this legislation will come home to roost, as it did once before when the bins were sold off in the 1947-48 time period.

Mr. DAGUE. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas [Mr. DOLE].

(Mr. DOLE asked and was given permission to revise and extend his remarks.)

Mr. DOLE. Mr. Speaker, I request this time for the purpose of commenting on the bill.

First, I would state, as was stated before, this bill did pass out of our committee without any dissent after changes were made to meet certain objections.



Mr. Speaker, I believe the public is protected because of the "minimum price" amendment which was added in the committee and now contained in the bill.

Mr. Speaker, it is my opinion that the objectives of the bill are proper and I support the legislation.

#### GENERAL LEAVE TO EXTEND

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Arkansas [Mr. GATHINGS] that the House suspend the rules and pass the bill H.R. 12360, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "To permit the sale of grain storage facilities to public and private nonprofit agencies and organizations."

A motion to reconsider was laid on the table.

#### TRANSPORTATION OF HOUSE TRAILERS—UNIFORMED SERVICES

Mr. PRICE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 12536) to amend section 409 of title 37, United States Code, relating to the transportation of house trailers and mobile dwellings of members of the uniformed services.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. PRICE]?

There was no objection.

The Clerk read the bill, as follows:

H.R. 12536

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 409 of title 37, United States Code, is amended to read as follows:

"§ 409. Travel and transportation allowances: trailers

"Under regulations prescribed by the Secretaries concerned and in place of the transportation of baggage and household effects, a member, or in the case of his death his dependent, who would otherwise be entitled to transportation of baggage and household goods under section 406 of this title, may transport a house trailer or mobile dwelling within the continental United States, within Alaska, or between the continental United States and Alaska, for use as a residence by one of the following means:

"(1) transport the trailer or dwelling and receive a monetary allowance in place of transportation at a rate to be prescribed by the Secretaries concerned, but not more than 20 cents a mile;

"(2) deliver the trailer or dwelling to an agent of the United States for transportation by the United States or by commercial means; or

"(3) transport the trailer or dwelling by commercial means and be reimbursed by the United States subject to such rates as may be prescribed by the Secretaries concerned.

"However, the cost of transportation under clause (2) or the reimbursement under clause (3) may not be more than the cost of transporting the baggage and household effects of the member or his dependent. Any payment authorized by this section may be made in advance of the transportation concerned. For the purposes of this section, 'continental United States' means the forty-eight contiguous States and the District of Columbia."

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

"That the text of section 409 of title 37, United States Code, is amended to read as follows:

"(a) Under regulations prescribed by the Secretaries concerned and in place of the transportation of baggage and household effects, a member, or in the case of his death his dependent, who would otherwise be entitled to transportation of baggage and household effects under section 406 of this title, may transport a house trailer or mobile dwelling within the continental United States, within Alaska, or between the continental United States and Alaska, for use as a residence by one of the following means—

"(1) transport the trailer or dwelling and receive a monetary allowance in place of transportation at a rate to be prescribed by the Secretaries concerned, but not more than 20 cents a mile;

"(2) deliver the trailer or dwelling to an agent of the United States for transportation by the United States or by commercial means; or

"(3) transport the trailer or dwelling by commercial means and be reimbursed by the United States for the expense, including the expense of necessary tolls, charges, and permit fees. However, the cost of transportation under clause (2) or the reimbursement under clause (3) may not be more than the cost of transporting the maximum weight allowance of baggage and household effects prescribed by the Secretaries concerned for a member of his pay grade or his dependent. Any payment authorized by this section may be made in advance of the transportation concerned. For the purposes of this section, "continental United States" means the 48 contiguous States and the District of Columbia.

"(b) A member who elected under subsection (a) of this section to transport a house trailer or mobile dwelling in place of the transportation of his baggage and household effects is entitled, when he is ordered to make a change of permanent station from a place outside, to a place within, the continental United States or Alaska, to both the transportation of his trailer or dwelling and the transportation of his baggage and household effects to his new duty station. However, the total cost of moving his baggage and household effects from the port of debarkation and his house trailer or mobile dwelling may not be more than the cost of transporting the maximum weight allowance of baggage and household effects authorized for the member or his dependent from either the port of debarkation to the new duty station or from the location of the house trailer or mobile dwelling to the new duty station, whichever is the greater distance."

(Mr. PRICE asked and was given permission to revise and extend his remarks.)

Mr. PRICE. Mr. Speaker, the bill H.R. 12536, as amended, was approved unanimously by the Committee on Armed Services. The bill also is strongly supported by the Department of Defense.

This bill is very similar to the bill passed by the House in the 2d session of

the 88th Congress. That bill, Public Law 88-406, was amended by the Senate by the establishment of a specific statutory ceiling of 51 cents per mile for the amount to be paid by the Government for the transportation of mobile dwellings by commercial means.

Since enactment of that law, the Armed Services Committee has received numerous letters from servicemen complaining of the excess costs incurred by the individual in moving mobile homes. The pending legislation removes the limitation of 51 cents per mile and authorizes payment of actual costs for commercial transportation, provided the cost does not exceed the cost of transporting the maximum weight allowance for baggage and household effects of a service member over a like distance. The bill permits the payment of a dislocation allowance in connection with the movement of a trailer, the same as provided in the House-approved bill 2 years ago. This legislation also would authorize a member, on his return from duty outside the United States or Alaska, on a permanent change of station, to ship his baggage and household effects from the port of debarkation within the United States to his new duty station, and also ship his house trailer to his new duty station. The cost to the Government of such combined shipment would be limited to the cost of transporting the maximum weight allowance of baggage and household effects authorized for the member or his dependents from either the port of debarkation to the new duty station, or from the location of the house trailer to the new duty station, whichever is the greater distance. The bill also will allow a member to be reimbursed for tolls, charges, and permit fees when the Government does not arrange for transportation by commercial carrier and the member makes his own personal arrangements.

The bill will provide for transportation of house trailers or mobile dwellings of members of the uniformed services on substantially the same basis as is provided for the transportation of house trailers for civilian employees under section 1(b) of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 73b-1(b)).

As previously stated, the bill is strongly supported by the Department of Defense. The estimated annual cost of the proposed legislation is \$3,450,000.

Mr. Speaker, I ask that the House support the proposed legislation.

[Mr. O'KONSKI addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. HALL. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I support our distinguished subcommittee chairman, the gentleman from Illinois [Mr. PRICE] on this bill, and in the move for its consideration with amendments, as H.R. 12536. As stated before the Committee on Rules when he and I appeared there, we need to eliminate the ceiling of 51 cents per mile for the transportation of mobile dwellings by commercial means of members of the armed services.







89TH CONGRESS  
2D SESSION

# H. R. 12360

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IN THE SENATE OF THE UNITED STATES

OCTOBER 4, 1966

Read twice and referred to the Committee on Agriculture and Forestry

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## AN ACT

To permit the sale of grain storage facilities to public and private nonprofit agencies and organizations.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That section 4 (h) of the Commodity Credit Corporation  
4       Charter Act, as amended, is amended by inserting before  
5       the period at the end thereof the following: “: *Provided,*  
6       That, notwithstanding any other provision of law, where a  
7       grain storage facility owned by the Corporation is not needed  
8       by the Corporation and, upon being offered for sale no  
9       person offers to pay the minimum price set by the Corpora-  
10      tion for such facility for use in connection with storage or  
11      handling of agricultural commodities, then the Corporation



Attest: RALPH R. ROBERTS,  
*Clerk.*



89<sup>TH</sup> CONGRESS  
2<sup>D</sup> Session

H. R. 12360

## AN ACT

To permit the sale of grain storage facilities to public and private nonprofit agencies and organizations.

OCTOBER 4, 1966

Read twice and referred to the Committee on  
Agriculture and Forestry







# **DIGEST** of Congressional Proceedings

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(FOR INFORMATION ONLY;  
NOT TO BE QUOTED OR CITED)

Issued Oct. 19, 1966  
For actions of Oct. 18, 1966  
89th-2nd; No. 179

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**HIGHLIGHTS:** Both Houses received and Senate agreed to conference report on demonstration cities bill including rural-housing amendments. House passed supplemental appropriations bill. House received conference report on food for peace bill. Senate committees reported bills to permit sale of grain storage facilities and to provide separate accounting systems for USDA funds. Senate adopted conference report on poverty bill. Senate concurred in House amendment to disaster relief bill. Senate committee voted to report heliport bill.

### HOUSE

1. **FOOD FOR PEACE.** Received a new conference report on H. R. 14929, the food-for-peace bill, with a modified provision regarding trade with North Vietnam and Cuba (H. Rept. 2304). pp. 26430-6
2. **APPROPRIATIONS.** Passed with amendment H. R. 18381, the supplemental appropriation bill. See Digest 178 for items of interest to this Department. pp. 26333-60
3. **HOUSING LOANS.** Received the conference report on S. 3708, the proposed Demonstration Cities and Metropolitan Development Act of 1966, which includes amendments to the rural-housing law (see Digest 176 for provisions)(H. Rept. 2301). pp. 26370-84

4. EDUCATION. Received the conference report on H. R. 13161, to strengthen and improve programs of assistance for elementary and secondary schools (H. Rept. 2309). pp. 26464-7

5. TAXATION. Received the conference report on H. R. 17607, to suspend the investment credit and the allowance of accelerated depreciation in the case of certain real property (H. Rept. 2308). pp. 26367-70

The Ways and Means Committee reported with amendments H. R. 7030, to amend the Internal Revenue Code to allow a farmer a deduction from gross income for water assessments levied by irrigation ditch companies, etc. (H. Rept. 2299). p. 26477

6. WATER FOR PEACE. The Rules Committee reported a resolution for consideration of S. J. Res. 167, to enable the U. S. to hold an International Conference on Water for Peace in the U. S. in 1967. p. 26436

7. COMMITTEE ASSIGNMENTS. Rep. Mackie resigned from the Agriculture Committee and was elected to the Public Works Committee. Several other changes in committee assignments were agreed to. pp. 26436-7

8. INTERGOVERNMENTAL RELATIONS. A subcommittee of the Government Operations Committee approved for full committee action H. R. 17955, the proposed Intergovernmental Relations Act of 1966. p. D1019

9. WATERSHEDS. The Public Works Committee approved various watershed reports. p. D1019

#### SENATE

10. GRAIN STORAGE. The Agriculture and Forestry Committee reported without amendment H. R. 12360, to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations (S. Rept. 1835). p. 26238

11. ACCOUNTING. The Agriculture and Forestry Committee reported without amendment S. 3699, to require the Department and the Budget Bureau to make a separate accounting of funds requested for the Department of Agriculture for programs and activities that primarily stabilize farm income and those that primarily benefit consumers, business men, and the general public (S. Rept. 1836). p. 26238

12. INTERGOVERNMENTAL RELATIONS. The Government Operations Committee reported without amendment H. R. 15335, to amend the act to establish an Advisory Commission on Intergovernmental Relations in order to make several relatively minor amendments to enable the Commission to function more effectively and to reflect certain changes that have occurred since the statute was enacted in 1959. p. 26237

13. POVERTY. Agreed to the conference report on H. R. 15111, to continue and amend various programs under the Economic Opportunity Act. pp. 26295-8

14. LANDS. The Agriculture and Forestry Committee reported without amendment S. 433, to authorize the Secretary of Agriculture to sell certain land in Lander, Wyo. (S. Rept. 1837). p. 26238



## SALE OF GRAIN STORAGE FACILITIES

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OCTOBER 18, 1966.—Ordered to be printed

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Mr. HOLLAND, from the Committee on Agriculture and Forestry,  
submitted the following

## REPORT

[To accompany H.R. 12360]

The Committee on Agriculture and Forestry, to which was referred the bill (H.R. 12360) to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

## SHORT EXPLANATION

The bill provides that where grain storage facilities are not needed by the Commodity Credit Corporation and cannot be sold to any person at the minimum price set by the Corporation for use in storing and handling agricultural commodities, the Corporation may then sell such facilities at not less than such minimum price to any public or private nonprofit agency or organization for any use.

## NEED FOR THE LEGISLATION

Under the present provisions of law and regulations made pursuant thereto, when the Commodity Credit Corporation determines that a grain storage bin is no longer needed for its storage purposes, the Corporation appraises the bin and establishes a minimum price for it and then offers it for sale to any buyer for use for agricultural purposes. Competitive bidding is required wherever feasible.

If the bin is not sold in this manner, it is offered to other agencies of the Department of Agriculture. If it is not claimed by any other agency of the Department, the bin is declared surplus to the needs of the Department of Agriculture and is turned over to the General Services Administration which offers it to other agencies of the Federal Government. If no agency of the Federal Government wants the bin, it is then disposed of by GSA as surplus property.

In some communities it has developed that the Commodity Credit Corporation has not been able to sell its surplus bins for agricultural purposes but that there are nonprofit organizations or agencies in the community which might desire to buy the facilities at the price established by the Commodity Credit Corporation.

Under the present provisions of law there is no authority for CCC to make such a sale even though the structure might serve a further useful purpose by being sold to a local organization or governmental agency.

#### COST

There would be no additional cost to the Federal Government as a result of this legislation.

#### DEPARTMENTAL POSITION

Following is the letter from the Secretary of Agriculture stating that the Department has no objection to the enactment of this legislation and suggesting technical amendments which were adopted by the House of Representatives.

DEPARTMENT OF AGRICULTURE,

Washington, D.C., July 18, 1966.

HON. HAROLD D. COOLEY,  
*Chairman, Committee on Agriculture,*  
*House of Representatives,*  
*Washington, D.C.*

DEAR MR. CHAIRMAN: This is in reply to your request of February 3, 1966, for a report on H.R. 12360, a bill to amend the Agricultural Act of 1949 to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations.

The bill provides that where a grain storage facility is not needed by the Secretary and cannot be sold to any person at the minimum price set by the Secretary for use in storing or handling agricultural commodities, he may sell it to any public or private nonprofit agency or organization for its use.

Since January 1961 the Department has disposed of 256.7 million bushels of grain storage facilities owned by the Commodity Credit Corporation (CCC). This storage was no longer needed directly by the Corporation due to the effectiveness of the feed grain program in reducing grain surpluses. There was, however, a continuing private need for most of this storage capacity in programs of CCC. A total of 252.7 million bushels of the storage space was sold through public auctions and sealed bids to purchasers who certified that the bins would be used for the storage or handling of agricultural commodities. This represented the continuing need for use of these facilities by the respective purchasers in programs of CCC. It is estimated that at least 90 percent of these bins was purchased by farmers and the balance by warehousemen, cooperatives, and others for grain storage. Approximately 4 million bushels which could not be sold at fair prices for the storage or handling of agricultural commodities were transferred either to other agencies within the Department for use in connection with their programs, or were transferred to the General Services Administration (GSA) for disposition.



Property which is "excess" to the needs of the Federal agency which has control of the property or "surplus" to the needs of any Federal agency, must be transferred or disposed of in accordance with provisions of the Federal Property and Administrative Services Act, 40 U.S.C. 471 et seq.

Commodity Credit Corporation has no authority to dispose of its storage facilities which have been acquired for the storage of its own grain except pursuant to other programs of the Corporation.

In actual practice ASC State and county committees determine the bins which are no longer needed by CCC directly for its storage needs. Upon approval by the Department in Washington, these bins are offered for sale to be used in programs of the Corporation, such as for storage under price support programs, resale programs, and commercial warehouse storage under the Uniform Grain Storage Agreement. To insure that bins are eligible for sale for program uses, rather than for other uses which could only be authorized under regulations of GSA, each purchaser of a bin which is to be sold for CCC program uses is required to certify that the structure purchased from CCC will be used in connection with the storage or handling of agricultural commodities.

Bins which are not needed for these purposes are then declared "excess" property and are offered to other agencies within the Department of Agriculture for use in connection with their programs. If not needed by other departmental agencies, the bins are reported to the GSA for transfer to other Government agencies or other disposal.

Approximately 80 percent of the total storage capacity still owned by CCC is made up of the standard round 3,250-bushel steel and aluminum bins which have no practical use other than for grain storage. The balance of the storage capacity consists mostly of large flat buildings and miscellaneous types of storage which have other uses besides grain storage.

We have no objection to the procedures under existing legislation. If, however, in the judgment of the Congress further consideration is to be given to enactment of legislation embodying the objectives of H.R. 12360, a revision of the bill is recommended for the technical reason discussed below.

It is the view of this Department that amendment of section 404 of the Agricultural Act of 1949 to meet the objectives of H.R. 12360 is not appropriate. That section deals with section 32 of Public Law 320, 74th Congress, as amended, 7 U.S.C. 613c, and section 6 of the National School Lunch Act. The word "facilities" used in section 404 has no bearing or connection with grain storage facilities. We believe that it would be more logical to amend the Commodity Credit Corporation Charter Act. Accordingly, we suggest that if the legislation is enacted, the words in the bill "section 4(h) of the Commodity Credit Corporation Charter Act, as amended," be substituted for "section 404 of the Agricultural Act of 1949, as amended," that the words "owned by the Corporation" be inserted after words "grain storage facility;" and that the word "Corporation" be substituted for "Secretary of Agriculture" and "Secretary."

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary.*

## CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

## COMMODITY CREDIT CORPORATION CHARTER ACT

\* \* \* \* \*  
SEC. 4. GENERAL POWERS.—The Corporation—

\* \* \* \* \*  
(h) May contract for the use, in accordance with the usual customs of trade and commerce, of plants and facilities for the physical handling, storage, processing, servicing, and transportation of the agricultural commodities subject to its control. The Corporation shall have power to acquire personal property necessary to the conduct of its business but shall not have power to acquire real property or any interest therein except that it may (a) rent or lease office space necessary for the conduct of its business and (b) acquire real property or any interest therein for the purpose of providing storage adequate to carry out effectively and efficiently any of the Corporation's programs, or of securing or discharging obligations owing to the Corporation, or of otherwise protecting the financial interest of the Corporation: *Provided*, That the authority contained in this subsection (h) shall not be utilized by the Corporation for the purpose of acquiring real property, or any interest therein, in order to provide storage facilities for any commodity unless the Corporation determines that existing privately owned storage facilities for such commodity in the area concerned are not adequate: *Provided further*, That no refrigerated cold storage facilities shall be constructed or purchased except with funds specially provided by Congress for that purpose: *And provided further*, That nothing contained in this subsection (h) shall limit the duty of the Corporation, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in the warehousing of commodities: *And provided further*, That to encourage the storage of grain on farms, where it can be stored at the lowest cost, the Corporation shall make loans to grain growers needing storage facilities when such growers shall apply to the Corporation for financing the construction or purchase of suitable storage, and these loans shall be deducted from the proceeds of price support loans or purchase agreements made between the Corporation and the growers. Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed or approved by the Secretary of Agriculture, to accept strategic and critical materials produced abroad in exchange for agricultural commodities acquired by the Corporation. Insofar as practicable, in effecting such exchange of goods, normal commercial trade channels shall be utilized and priority shall be given to commodities easily storable and those which serve as prime incentive goods to stimulate production of critical and strategic materials. The determination of



the quantities and qualities of such materials which are desirable for stockpiling and the determination of which materials are strategic and critical shall be made in the manner prescribed by section 2 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596). Strategic and critical materials acquired by Commodity Credit Corporation in exchange for agricultural commodities shall, to the extent approved by the Munitions Board of the Department of Defense, be transferred to the stockpile provided for by the Strategic and Critical Materials Stock Piling Act; and when transferred to the stockpile the Commodity Credit Corporation shall be reimbursed for the strategic and critical materials so transferred to the stockpile from the funds made available for the purpose of the Strategic and Critical Materials Stock Piling Act, in an amount equal to the fair market value, as determined by the Secretary of the Treasury, of the material transferred to the stockpile. Nothing contained herein shall limit the authority of the Commodity Credit Corporation to acquire, hold, or dispose of such quantity of strategic and critical materials as it deems advisable in carrying out its functions and protecting its assets: *Provided, That, notwithstanding any other provision of law, where a grain storage facility owned by the Corporation is not needed by the Corporation and, upon being offered for sale no person offers to pay the minimum price set by the Corporation for such facility for use in connection with storage or handling of agricultural commodities, then the Corporation may, without declaring such facility to be excess property, sell it by bids at not less than such minimum price to any public or private nonprofit agency or organization for use for the purposes of such agency or organization. This provision shall apply also to facilities which on the effective date of this Act have been declared excess to the needs of the Commodity Credit Corporation but have not been claimed by any other Government agency, or surplus to the needs of the Government but not disposed of pursuant to the provisions of the Federal Property and Administrative Services Act of 1949, as amended.*



Calendar No. 1804

89TH CONGRESS  
2D SESSION

# H. R. 12360

[Report No. 1835]

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## IN THE SENATE OF THE UNITED STATES

OCTOBER 4, 1966

Read twice and referred to the Committee on Agriculture and Forestry

OCTOBER 18, 1966

Reported by Mr. HOLLAND, without amendment

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## AN ACT

To permit the sale of grain storage facilities to public and private nonprofit agencies and organizations.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That section 4 (h) of the Commodity Credit Corporation  
4        Charter Act, as amended, is amended by inserting before  
5        the period at the end thereof the following: “: *Provided,*  
6        That, notwithstanding any other provision of law, where a  
7        grain storage facility owned by the Corporation is not needed  
8        by the Corporation and, upon being offered for sale no  
9        person offers to pay the minimum price set by the Corpora-  
10       tion for such facility for use in connection with storage or  
11       handling of agricultural commodities, then the Corporation

1 may, without declaring such facility to be excess property,  
2 sell it by bids at not less than such minimum price to any  
3 public or private nonprofit agency or organization for use  
4 for the purposes of such agency or organization. This pro-  
5 vision shall apply also to facilities which on the effective  
6 date of this Act have been declared excess to the needs of  
7 the Commodity Credit Corporation but have not been claimed  
8 by any other Government agency, or surplus to the needs  
9 of the Government but not disposed of pursuant to the pro-  
10 visions of the Federal Property and Administrative Services  
11 Act of 1949, as amended.

Passed the House of Representatives October 3, 1966.

Attest:

RALPH R. ROBERTS,

*Clerk.*





[Report No. 1835]

AN ACT

To permit the sale of grain storage facilities to public and private nonprofit agencies and organizations.

OCTOBER 4, 1966

Read twice and referred to the Committee on Agriculture and Forestry

OCTOBER 18, 1966

Reported without amendment







# ***DIGEST*** of Congressional Proceedings

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
FOR INFORMATION ONLY;  
NOT TO BE QUOTED OR CITED)

Issued Oct. 20, 1966  
For actions of Oct. 19, 1966  
89th-2nd; No. 180

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HIGHLIGHTS: Senate committee reported supplemental appropriation bill. Senate passed bill to permit sale of grain storage facilities. Senate agreed to conference report on packaging-labeling bill.

### SENATE

1. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 18381, the supplemental appropriation bill (S. Rept. 1841)(p. 26481). This bill was made the unfinished business (p. 26598). A table reflecting committee actions is attached to this digest.

Both Houses agreed to the conference report on H. R. 17636, the D. C. appropriation bill. This bill will now be sent to the President. pp. 26580-3, 26621-4

2. GRAIN STORAGE. Passed without amendment H. R. 12360, to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations. This bill will now be sent to the President. p. 26587
3. PACKAGING; LABELING. Agreed to the conference report on S. 985, the fair packaging and labeling bill. This bill will now be sent to the President. pp. 26562-5
4. TOBACCO. Sens. Tydings and Brewster criticized this Department for discontinuing the export subsidy on Maryland tobacco. pp. 26514, 26537-8
5. TARIFF. Agreed to the conference report on H. R. 11216, to provide tariff exemption for U. S. products which are shipped abroad, incorporated in an article assembled abroad, and reimported into this country. pp. 26498-9
6. FORESTRY. Sen. Morse commended the Forest Service for progress in security access to national forest timber resources. pp. 26508-9
7. WATER; ELECTRIFICATION. Sen. Morse said the West needs more water and electricity and inserted a speech by Alex Radin. pp. 26510-11  
Sen. Moss inserted a speech by Sen. Edward Kennedy before the Western States Water and Power Consumer Conference. pp. 26521-3
8. PLYWOOD STANDARDS. Sen. Magnuson described the Bureau of Standards procedure in connection with standards for plywood and other products. pp. 26516-7
9. INTERGOVERNMENTAL RELATIONS. Sen. Muskie inserted a speech by David Walker, "Cooperative Federalism: Intergovernmental Fiscal Aspects." pp. 26517-20  
Passed without amendment H. R. 15335, to amend the act which established the Advisory Commission on Intergovernmental Relations so as to recognize changes in the names of two mentioned organizations, allow members to serve until reappointment or until appointment of successors becomes effective, change the name of staff director to executive director, set his salary at level V, permit State legislators to be members, and permit State and local governments to contribute funds to the Commission. This bill will now be sent to the President. pp. 26589-90
10. SOIL CONSERVATION. Sen. Tydings commended the Montgomery County sediment control program in cooperation with SCS. p. 26526
11. EDUCATION. Agreed to the conference report on H. R. 13161, to provide additional aid for elementary and secondary schools. pp. 26538-56
12. PERSONNEL. Concurred in the House amendments to S. 1496, to repeal a law prohibiting detail of employees from field positions into D. C. This bill will now be sent to the President. p. 26566



## BACKGROUND AND NEED FOR THE LEGISLATION

The Subcommittee on Merchant Marine and Fisheries held hearings on S. 3744, the companion bill to H.R. 11475, on September 28, 1966, receiving testimony from the Department of Interior and Dr. L. Eugene Cronin, director, Chesapeake Biological Laboratory, University of Maryland.

The need for this legislation arises from the fact that thousands of vacationers are being robbed of water-recreational opportunities and hundreds of businessmen are being deprived of untold revenues because of the large presence of jellyfish, sometimes known as sea nettles, in our coastal bays and estuaries. Unfortunately, there is no known method of controlling these water pests and their invasion each year affects a larger segment of the economy and population.

In pointing to the need for the legislation, Dr. L. Eugene Cronin, in his statement before the subcommittee said:

"The jellyfish problem is an important one of worldwide scope. Many species of these animals exert a serious and even deadly influence in areas where recreational use of the water is extensive. They produce some of the strongest toxic materials of all animals. After the sting of some species, death can result within seconds. Many other species are less injurious, but still dangerous to swimmers, to military and civilian divers, and, indeed, to all those who enter the water."

Dr. Cronin further pointed out that jellyfish may be affecting and possibly damaging certain commercially valuable species of fish and shellfish, such as oysters.

The committee is of the opinion that the sea nettle has passed the stage of being a mere nuisance; it must be either controlled or eradicated. Naturally, before a solution can be found a wide variety of field and laboratory observations and experiments must be conducted. The committee felt that a joint Federal-State cooperative program, such as that provided by this legislation, is the best approach in solving the annoying, costly, and difficult problems caused by these water pests.

In his statement before the subcommittee, Dr. L. Eugene Cronin presented a most interesting account of the general complex pattern of the life cycle of the *Chrysaora quinquecirrha*. Briefly summarized, it is as follows:

"The medusa is the sexual stage which occurs from May through October. Eggs and sperm are produced and microscopic planula larvae are released in midsummer. The larvae settles to the bottom of the water and sets on the undersides of a variety of hard substances, such as oyster shells, clam shells, glass, beer cans, and on other animals. After setting, the larvae changes into the plantlike polyp stage. The tiny polyp, about one-eighth of an inch tall, is the overwintering form and is capable of sexually reproducing itself through the formation of cysts. The following spring, each polyp produces 4 to 10 ephyrae, which grow rapidly into the adult medusae. After producing ephyrae, the polyp resumes its normal form and, apparently, barring accident or predation, can repeat this cycle indefinitely. The big medusae, after spawning, die or disintegrate within a few weeks."

Much knowledge has been gained about the sea nettles as a result of research underway at the Natural Resources Institute of the University of Maryland, financed in part by the State of Maryland, and in part by a grant made this year by the Department under the Water Resources Research Act. Probably more has been learned this past summer than has been discovered in the past 30 years. Even so, as indicated by Dr. L. Eugene Cronin, Director of the Natural Resources Institute, at the hearings, actually at this time very little is known about the sea nettle.

Biological control which can range from finding a disease of sea nettles to introduction of a predator, would be the most satisfying and acceptable to marine scientists. However, it would probably be the most difficult to find and develop. Biological controls would have many advantages if backed up with scientific research.

Your committee also noted that chemicals to control all varieties of pests have received much attention in the last 20 years, as attested by the over 70,000 different formulations of registered pesticides. Because of interaction with the dissolved minerals in sea water, the use of very minute quantities of most of these chemicals could prove extremely dangerous to other marine life. However, your committee realize that the use of chemicals offers possibilities—as evidenced by the use of chemicals to control the sea lamprey in the Great Lakes—and should be investigated.

After thorough consideration of the testimony presented at the hearings, your committee is convinced that thus far no known method of effectively controlling or eradicating sea nettles has been discovered. It is apparent that finding effective methods will require considerable time and study and naturally would be quite costly.

It should be pointed out that the Department of the Interior, under existing law, has authority to conduct research into the problems created for fish and shellfish and water-based recreation by sea nettles. However, the Department has not to date sought funds to study this problem.

Your committee feels that in addition to the Federal Government, the affected States have similar interests—particularly from an economic standpoint—and consequently, any effort undertaken by way of research into methods to control or eliminate this problem should be conducted jointly by the States and the Federal Government. Accordingly, your committee urges prompt enactment of H.R. 11475, which unlike other authorities, would provide for such cost-sharing on a 50-50 matching fund basis.

## DISCUSSION OF THE AMENDMENTS

At the request of Senator PASTORE, the committee amended the bill to authorize the Secretary to study means of controlling excessive seaweed, a perennial problem along the beaches of Newport and Middletown, R.I.

Abatement of the seaweed menace would benefit the tourist industry in those coastal areas where the plant accumulates.

The committee also included the Commonwealth of Puerto Rico in the bill in order to make clear that jellyfish in Puerto Rican waters were also to be considered in research programs.

## SECTION-BY-SECTION ANALYSIS

Section 1 of the bill would authorize the Secretary of the Interior to cooperate with the States and the Commonwealth of Puerto Rico and give financial and technical assistance to them in the control or elimination of jellyfish, commonly referred to as "sea nettles," and such other pests that adversely affect fish and shellfish and water-based recreation. Also included in this section is assistance in conducting research for the purpose of controlling floating seaweed.

Section 2 of the bill would authorize the Secretary, in cooperation with the States and the Commonwealth of Puerto Rico, to conduct, either directly or by contract, or both, research into the sea nettle problem, including their abundance and distribution, to conduct studies on developing control measures, and to control, based on such studies, or eliminate jellyfish, similar pests, and floating seaweed in the coastal waters of the United States. Further, section 2 would provide that the cost of this program would be shared on a 50-50 basis by the States or the Commonwealth of Puerto Rico and the Federal Government.

Section 3 of the bill would authorize a total appropriation of \$2.25 million to carry out the Federal share of the program. The program would be limited to a 3-year period; for the fiscal year ending June 30, 1968, it would authorize that not more than \$500,000 be appropriated; subsequent authorizations would be \$750,000 for the fiscal year ending June 30, 1969; and \$1 million for the fiscal year ending June 30, 1970.

Section 4 of the bill would provide that the Congress would consent to any compact or agreement entered into between any two or more States for the purpose of carrying out a program of research and control of jellyfish and other such pests in the coastal waters of the United States. However, it would expressly reserve the right to alter, amend, or repeal this section on the consent granted herein.

Section 5 of the bill would provide that nothing in this legislation would be construed to alter, amend, repeal, modify, or diminish the present general authority of the Secretary to conduct studies related to the mission of the Department of the Interior.

## SALE OF GRAIN STORAGE FACILITIES TO PUBLIC AND PRIVATE NONPROFIT AGENCIES AND ORGANIZATIONS

The bill (H.R. 12360) to permit the sale of grain storage facilities to public and private nonprofit agencies and organizations was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, that concludes the call of the calendar for the time being.

## SOUND AND LIGHT PROGRAMS AT THE CAPITOL

Mr. TYDINGS. Mr. President, I am pleased that the Senate yesterday passed H.R. 14604 to authorize a study of a visitors' center in Washington.

I am particularly pleased that the Senate Interior Committee mentioned in its report that one of the subjects to be studied is "a sound and light program" for the Capitol.

The sound and light technique was developed in France shortly after the First World War. A French architect, Paul Robert Houdéin, happened to observe the Chambord Chateau during a thunderstorm. The spectacle created in him the sense that the chateau had been restored to the life it enjoyed in the great period of its history.

He set to work to reproduce artificially the effect of the thunderstorm, using powerful lights synchronized with a sound track carrying music, voices, and special effects. This became the technique of "son et lumière"—the use of light and recorded sound, but no live performers, in a historic setting.

Visitors to Europe are familiar with the sound and light spectacles in Paris, Rome and Athens.

The pageant at Versailles has a script by Andre Malrois, and uses the famous gardens of the palace as well as the buildings to recreate the great events which took place there.

Ten times weekly, the Roman Forum is the scene of a sound and light spectacle. In one of these programs, the voice of Orson Welles was heard reading



Shakespeare for a recreation of the death of Caesar.

No one who has seen it can forget the play of light on the Parthenon in Athens during the sound and light performance which is held on the Acropolis.

A splendid sound and light show was offered for some years at Independence Hall in Philadelphia. The voice of Fredric March recreated the words of Jefferson and Adams. The narrative was written by the poet Archibald MacLeish.

The Capitol is an excellent site for a sound and light program. It is a fine building architecturally, and one which responds particularly well to lighting. It is the scene of more of our history than any other building. It has been the home of Congress since 1800. It was the seat of the Supreme Court for 134 years. Most of our Presidents were inaugurated here, and it has been the scene of many great Presidential speeches and national debates.

Imagine the pleasure and instruction which would be offered to thousands of Washington visitors on a summer night by reenactment of some of the great events which took place here:

The Burr-Jefferson election of 1801;

The proclamation of the Monroe Doctrine in 1823;

The Dred Scott decision in 1857;

The celebration of the fall of Richmond, followed so abruptly by the lying in state of President Lincoln in 1865;

The impeachment trial of President Andrew Johnson;

President Wilson's declaration to Congress that "the world must be made safe for democracy;"

President Roosevelt's message to Congress of December 8, 1941.

All this could be done at relatively low cost. For sound and light, no large crews of actors or technicians are needed. The performers, once the sound track has been recorded and the lights synchronized, are fully automated—they require only one man. The equipment is small, unobtrusive and would in no way interfere with the use or beauty of the Capitol.

Thus at little cost and with little inconvenience, we could bring to our legislative home, the Capitol, summer night productions of striking beauty and incalculable educational value.

I ask unanimous consent to insert at this point in the RECORD, an article by Richard L. Coe on sound and light programs that appeared in the Washington Post on September 19, 1966, and a resolution of the Washington Convention and Visitors Bureau endorsing sound and light programs at the Capitol.

There being no objection, the article and resolution were ordered to be printed in the RECORD, as follows:

**"LIGHT" AT ACROPOLIS RECALLS BILL HERE**

(By Richard L. Coe)

One of the most enthralling spectacles to be seen between Istanbul and Gibraltar, an area I recently skimmed, is the Sound and Light at the Acropolis in Athens.

Unlike many variations of painting history through visual and aural suggestion, this views the Acropolis from a distance of about half a mile. One sits on the neighboring, smaller Pnyx hill while hundreds of huge

lights pulse on and off as voices describe the fabulous history of war and philosophy which haunts this hill of the Parthenon.

The effect is brooding and breath-taking and one may enjoy the lighting, except on nights of the full moon, from all parts of the sprawling city. Many find this Sound and Light to be the finest of the many which stretch from England to Egypt.

The experience was a reminder of the bill introduced last spring by Rep. HENRY S. REUSS (D-Wis.) to create a Sound and Light production at the U.S. Capitol building.

This now has the support of Elizabeth Rowe, chairman of the National Capital Planning Commission; Roger L. Stevens, chairman of the National Council on the Arts, and Walter Tobriner, president of the District Board of Commissioners. Referred to the subcommittee on libraries and memorials, the bill is now being studied for "feasibility"—in other words, how can the project be financed and put into being?

Such is an entirely sensible question and Rep. REUSS doesn't look for any further action until the 90th Congress. It would seem, however, that one of the burgeoning foundations might be found to finance the substantial initial investment. (The Republic of France, by the way, made a gift of the Philips equipment to the City of Athens.)

The advantages for the scheme are obvious. The Capitol building is the sole Washington edifice associated with every President since George Washington laid the cornerstone. Its panorama of American history is unique. The Board of Trade, also long on the record for the project, sees it as a superb tourist attraction and tourism is the city's second industry. (Quibble, if you like, as to whether the first is politics or statesmanship.)

Mrs. Johnson has shown interest in the plan and, in a casual conversation, both President and Mrs. Kennedy remarked on how splendid Sound and Light might be at the Capitol Plaza.

There are precautions to be considered. The seating arrangements need not be made for thousands and need take only a limited area of space. The script, voices and music should be done by our finest artists. (The Athenian Sound and Light music, for instance, is sheer sound track corn.)

Sound and Light has had a curious American career. Its use on Philadelphia's Independence Hall several years ago proved oddly disappointing. A flat script, I thought, accounted for this. But it evidently has been immensely successful on the battleship North Carolina at Wilmington, N.C. The Smithsonian, last week, gave a suggestion of what might be done through a simplified version of light and sound it titled "Figures in a Landscape."

At all events, Rep. REUSS' bill holds promise of our own historic hill which might match, in quite different ways, the haunting spectacle on the Acropolis.

Sound and Light is not the only evening attraction at the Acropolis. At its feet are two theaters. The older is that of Dionysus, dating from the Golden Age but far less well preserved than its contemporaries at Epidauros and Delphi. However, because of its antiquity and size, the Dionysus is infinitely the more impressive to muse upon although performances are never attempted here.

Almost nightly performances, however, are given further along the southern slope in the theater of Herod Atticus, that Roman of the second century A.D. who valued ancient Greece. This was once roofed with cedar, long since vanished, but it remains entirely usable for the annual Athens Festival, which stretches from early July to late September.

To sit on stone benches provided with wafer-thin pillows give some notion of the hardness of those early theatergoers but the

experience itself is unforgettable. At some angles it's possible to see the stage, the Parthenon and the gemlike temple of Wingless Victory.

The Athenian Festival performances are worthy of the setting. This year the Festival began with visits from England's Royal Ballet and the USSR's Kirov. It further offered national orchestras and operas from Switzerland, the USSR, Rumania, Spain and, only last week, the Utah Symphony. Pablo Casals conducted his "El Pessebre" and visiting instrumentalists included Ashkanazy, Istomin and Menuhin.

The theatrical classics are presented by the National Theater of Greece and the State Theater of Northern Greece. I was especially impressed by the former's "The Trojan Woman." A cursory knowledge of any of the plays is richly rewarded for the action and choral patterns are simple to follow. I was amused to find that the originals are not attempted, all being translated into modern Greek—a fact I don't understand either.

A final but modern hillside theater just behind Pnyx hill is the Philopappou, which presents dance troupes lured from all part of Greece by enterprising Dora Stratou. These dancers are frankly amateurs and when one misses the flash of professionalism it's quite easy to look over to the Acropolis, virtually breathing in the rhythm of the Distant Sound and Light effects.

**RESOLUTION ADOPTED BY THE WASHINGTON CONVENTION AND VISITORS BUREAU AUGUST 22, 1966, ENDORSING A PROGRAM OF SON ET LUMIERE (SOUND AND LIGHT) AT THE CAPITOL BUILDING, WASHINGTON, D.C.**

Whereas the Washington Convention and Visitors Bureau has long been in support of a Sound and Light Program for the District of Columbia; and

Whereas the Bureau members have personal knowledge of the effective employment of a Sound and Light presentation in many foreign countries and in some sections of the United States; and

Whereas by means of Sound and Light events of great historical importance can be portrayed in a beautiful and simple fashion; and

Whereas in the United States there is no one location better identified in the minds of Americans and foreigners alike than the Capitol of the United States; and

Whereas millions of visitors now coming to Washington, D.C. annually and many more who could come to witness a Sound and Light presentation would witness a visual and dramatic recitation of all the important events in this nation's history; and

Whereas a presentation of the history of this country through Sound and Light would be of tremendous benefit in the teaching of history to the millions of school students who visit Washington; and

Whereas the nation's greatest artists, performers and technicians would welcome the opportunity to be identified with a Sound and Light project having as its basis this country's rich history, successes and ideals; and

Whereas the beautiful, dignified and effective atmosphere of the United States Capitol would lend itself admirably to a Sound and Light program in addition to providing space for thousands of persons to witness this spectacle nightly; and

Whereas a presentation of Sound and Light would supplement the highly popular regular performances of the United States service bands; and

Whereas Congressman HENRY S. REUSS of Wisconsin has introduced House Joint Resolution 1027 to provide for Sound and Light evenings at the Capitol;

Therefore be it resolved that the Executive Committee of the Washington Conven-









Public Law 89-758  
89th Congress, H. R. 12360  
November 5, 1966

## An Act

80 STAT. 1307

To permit the sale of grain storage facilities to public and private nonprofit agencies and organizations.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 4(h) of the Commodity Credit Corporation Charter Act, as amended, is amended by inserting before the period at the end thereof the following: “: *Provided*, That, notwithstanding any other provision of law, where a grain storage facility owned by the Corporation is not needed by the Corporation and, upon being offered for sale no person offers to pay the minimum price set by the Corporation for such facility for use in connection with storage or handling of agricultural commodities, then the Corporation may, without declaring such facility to be excess property, sell it by bids at not less than such minimum price to any public or private nonprofit agency or organization for use for the purposes of such agency or organization. This provision shall apply also to facilities which on the effective date of this Act have been declared excess to the needs of the Commodity Credit Corporation but have not been claimed by any other Government agency, or surplus to the needs of the Government but not disposed of pursuant to the provisions of the Federal Property and Administrative Services Act of 1949, as amended.

Grain storage  
facilities,  
Sale.  
62 Stat. 1071.  
15 USC 714b.

63 Stat. 377.  
40 USC 471 note.

Approved November 5, 1966.

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### LEGISLATIVE HISTORY:

HOUSE REPORT No. 1974 (Comm. on Agriculture).  
SENATE REPORT No. 1835 (Comm. on Agriculture & Forestry).  
CONGRESSIONAL RECORD, Vol. 112 (1966):  
Oct. 3: Considered and passed House.  
Oct. 19: Considered and passed Senate.



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